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# Consumers' evaluation of brand portfolios

Joon-Wuk Kwun  
*Iowa State University*

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# **Consumers' evaluation of brand portfolios**

by

**Joon-Wuk Kwun**

A dissertation submitted to the graduate faculty  
in partial fulfillment of the requirements for the degree of

**DOCTOR OF PHILOSOPHY**

Major: Foodservice and Lodging Management

Program of Study Committee:  
Haemoon Oh, Major Professor  
Mary B. Gregoire  
Jeannie Sneed  
Yvonne Gentzler  
Sridhar Ramaswami

Iowa State University

Ames, Iowa

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## **ABSTRACT**

Brand extension has been used as a guiding strategy for strategic growth for many firms in leveraging strength of a well-established brand. The purpose of this study was to explore consumers' evaluation of brand portfolio in the lodging industry. The conceptual relationships proposed and examined in this study exhibit predictive validity for understanding how lodging customers form brand attitude toward extended brands. This study shows the importance of recognizing the role of brand-specific associations (i.e., product and service quality, brand image, brand awareness) and brand portfolio effects (i.e., brand attitude toward the parent brand, familiarity, fit) in consumer evaluations of brand attitude toward extended brands. The findings suggest, in general, that both brand-specific associations and brand portfolio play important roles in consumers' evaluations of extended brands. In addition, fit and familiarity appear to be important in consumers' attitude formation and they moderate attitude transferability between a brand portfolio and its extended brands. Managerial implications are addressed and directions for future research are suggested.

## CHAPTER I. INTRODUCTION

### Statement of the Problem

One of a firm's valuable assets is a well-established brand name that provides competitive advantages. Hence, brand strategy of a firm is important because of its critical impact on the firm's financial performance and marketing effectiveness and efficiency. Many firms have capitalized on the benefits of existing brands by initiating effective brand extension strategies (e.g., Aaker & Keller, 1990; Tauber, 1988). Brand extension has been described as a guiding strategy for strategic growth for many firms in leveraging a favorable reputation of the brand. While the advantages of using brand extension strategies are well identified in the literature, a number of researchers pose concerns that brand extension strategies carry the risk of diluting important consumer beliefs in both the parent brand and the individual products that carry the parent brand name (e.g., Park, Mildberg, & Lawson, 1991; Romeo, 1990; Sullivan, 1990).

The U.S. lodging industry has experienced a rapid growth with an explosion of new brands, which have led to increased competition and market saturation. For the last two decades, hospitality operators have had to redefine their target market and differentiate their products more specifically to maintain growth (Oh & Jeong, 1996). In this context, lodging companies have made effective use of brand extension strategies and have expanded and routinely differentiated their products and services to better serve their multiple-customer bases (Enz, Potter, & Siguaw, 1999; Lancaster, 1990). Moreover, chain-affiliated hotels continuously outperform independent hotels and this trend is expected to continue in the future (Lomanno, 2001, 2002).

One of the major trends in this aspect is that a relatively small number of major lodging companies have been developing different brands under their main company or major brand product and forming brand portfolios. Barwise and Robertson (1992) indicate that the fundamental reason for forming a brand portfolio is that “a brand may be worth more as part of a wider portfolio than standing alone” (p. 278). Primary reasons for forming brand portfolios are to expand into various geographic locations and segments, diversify financial risks, achieve economies of scale, enhance effectiveness and efficiency in marketing and operations, and lower overall costs of capital.

Effective management of brand portfolios is gaining much attention because of consolidation in the lodging industry. Consolidation is expected to continue impacting the structure of the lodging industry (Cline, 2002; Haussman, 2001, 2002; Koonce, 1998; Nardozza, 1996, 1998). CEOs of major hotel companies predict that consolidation will continue and large companies will get larger (Haussman, 2001). Koonce (1998) asserts that concentration of valuable brands in a few major companies’ brand portfolios will be one of the paradigms that will change the fundamental structure of the lodging industry. Advanced technology and the impact of the Internet and Web sites on operations are accelerating consolidation efforts in the lodging industry.

Given the current trends in the lodging industry and the increasing number of brand portfolios, it is important to understand the competitive advantages of brand portfolios. In addition, considering some of the potential negative effects of operating multiple brands that have been identified from a number of studies (Haussman, 2002; “Upscale hotels will,” 1999), it is important to explore the fundamental issues for those conglomerate hotel companies that operate brand portfolios with several different brands. Among many

important questions, how brand-specific associations (e.g., brand image, service and product quality, awareness) and brand portfolios affect consumers' evaluations of an individual brand should be addressed to help lodging firms effectively manage brand portfolios. In particular, the consequences of similarities and interrelationships among individual products in a portfolio should be explored to understand the competitive synergies that brand portfolios can generate.

### **Research Objectives**

The current study aims to examine how consumers evaluate lodging brand portfolios. Although several studies have identified financial and investment benefits of brand portfolios, additional studies are needed to understand how brand portfolios are perceived from a consumers' perspective. While the importance of branding and brand extensions is well known, relatively little is known about how consumers perceive brand portfolios. Hence, the purpose of this study is to propose and test a model of consumer evaluations of brand portfolios in the lodging industry.

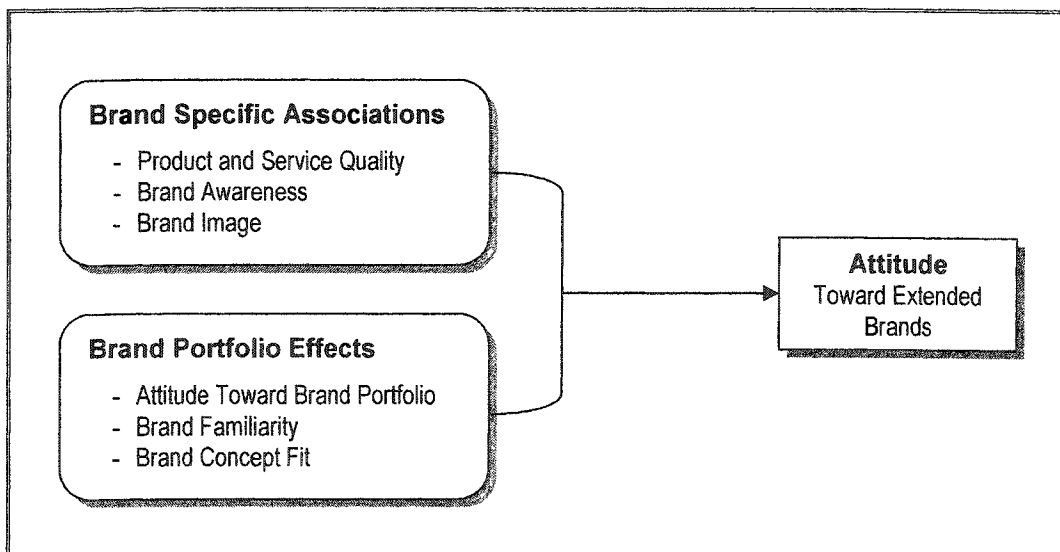
The current study integrates the effects of brand-specific associations into brand portfolio effects based on the general conceptual framework in Figure 1. Brand-specific associations are those attribute or benefit that differentiates a brand from competing brands (i.e., product and service quality, awareness, brand image), while brand portfolio effects refer to the transferability of brand attitudes from a brand portfolio to its extended brands. Consumers' perceptions of both brand-specific associations and brand portfolio effects on attitude toward extended brands need to be better understood to assist management in

ensuring competitive performance of their brand strategies. Specifically, the objectives of this study are to:

1. Evaluate the role of brand-specific associations (product and service quality, awareness, brand image) in consumer evaluations of extended brands.
2. Determine the portfolio effects (attitude transferability from brand portfolio to extended brands) on consumers' brand evaluation process.
3. Examine whether brand familiarity and brand fit moderate consumer evaluations of extended brands.
4. Propose a model of lodging brand portfolio and extension evaluations.

**Figure 1.**

**Research Framework**



## Potential Contributions

This study provides several theoretical and practical contributions to the current understanding of consumers' evaluations of brand portfolios. First, the current study adds to the body of knowledge on branding in hospitality and marketing research. Most brand-related studies in the hospitality industry have focused on the impact of territorial encroachment, strategic alliance, advertisement and promotion, and co-branding that are rather directly related to the financial performance of hospitality firms (e.g., Boone, 1997; Morey & Dittman, 1997; Quan, Li, & Sehgal, 2002; Roh, 1998). In addition, a majority of lodging customer loyalty studies focused on the luxury segment, providing only limited understanding on other segments (e.g., Go, Choi, & Chan, 1996; Mattila, 1999). While several recent studies attempted to provide additional insights into the effects of brand name on consumers' decision-making processes, only a few studies integrated the effects into a multi-brands lodging context (e.g., Jiang, Dev, & Rao, 2002; Muller, 1998; Oh, 2000<sub>a</sub>, 2002; Prasad & Dev, 2000).

Moreover, research on branding has been based predominantly on experiments using hypothetical brand extensions and/or parent brands, which raises a concern about generalizability to real brands (e.g., Ahluwalia & Gürhan-Canli, 2000; Carpenter, 2000; Mildberg, Park, & McCarthy, 1997; Winer, 1999). This study will evaluate existing lodging brand portfolios that are composed of several sub-brands, based on a survey research design. In addition, this study simultaneously considers the effects of brand-specific associations and brand portfolio, which have received limited attention in prior studies. In particular, an examination of the moderating effects of brand familiarity and brand fit on the relationship between a brand portfolio and its extended brands will advance marketers' understanding of

the factors that may dilute or enhance brand strength and provide insights into brand portfolio management.

Secondly, the results of this study will help lodging managers understand how customers perceive brand portfolios. Proliferation of brands and sub-brands has confused consumers and made it difficult for lodging managers to differentiate their brands on the basis of functional attributes alone (Siguaw, Mattila, & Austin, 1999). Consumers are offered many choices of lodging brands and promotional offerings within each market segment, which encourages brand switching and brand erosion. Therefore, it is important for managers to understand how their customers perceive their brands and develop clear directions to position brands in customers' mind. This is crucial for those companies that have many different brands serving various segments and customer bases. The results of this study will show how customers perceive the individual brands in a lodging portfolio.

## **Definitions**

Definitions of the major variables included in this study are provided in this section. The variables include brand-specific associations, brand image, brand attitude, brand portfolio effects, and fit.

**Brand-Specific Association:** Brand-specific association refers to an attribute or benefit that differentiates a brand from competing brands (MacInnis & Nakamoto, 1990). In particular, the current research focuses on consumers' perceptions of product and service quality, brand awareness, and brand image.

**Brand Image:** Brand image is viewed as synonymous to reputation, following prior research that defines image as the total impression of a company or brand (e.g., Dowling, 1986, 1993; Fombrun & Shanley, 1990). Hence, brand image refers to the overall reputation and perception of a hotel brand (e.g., Oh, 2002; see also, Selnes, 1993; Shapiro, 1983; Zeithaml, 1988)

**Brand Attitude:** Brand attitude toward a brand portfolio (i.e., Parent brand - PB) refers to an overall evaluation of a lodging brand portfolio, while brand attitude toward an extended brand (i.e., Extended Brand - EB) refers to an overall evaluation of the extended brand (e.g., Fazio & Zanna, 1978; McAlister & Pessemier, 1982; McCarthy & Norris, 1999; Reibstein, 1978).

**Brand Portfolio Effects:** Brand portfolio effects refer to the transferability of brand attitudes from a brand portfolio to its extended brands.

**Fit:** Based on previous studies, fit is similarity and interrelationship among products in the same brand portfolio (e.g., Bridges, 1992; Park et al., 1991). Specifically, it is operationalized as similarity and consistency between a brand portfolio and its extended brands.



## **CHAPTER II. THEORETICAL BACKGROUND**

This chapter provides a synthesis of the theoretical and empirical literature used in the development of the research model and hypotheses for this study. Categorization theory is reviewed in the first section to lay a sound groundwork for the study and the review focuses on branding, brand extension strategies, and brand portfolio management. The second and third sections discuss several key variables of brand-specific associations and brand portfolio effects. The last section describes the proposed conceptual model along with the research hypotheses.

### **Categorization Theory and Brand Extension Strategy**

#### **Categorization theory**

Categorization theory posits that an individual develops distinct categories of stored information in memory (Brewer, 1988, Fiske & Pavelchak, 1986). Mervis and Rosch (1981) define category as two or comparable objects that are treated equivalently. Consumers process and evaluate new information based on organized prior knowledge categories so as to minimize cognitive efforts. According to Fiske and Neuberg (1990) and Fiske and Taylor (1991), these knowledge categories directly connect the consumer's expectations to his/her motivation to process subsequent affective evaluations of the stimuli. That is, the consumer always attempts to match a newly incoming stimulus with an existing knowledge category.

When evaluating an object (e.g., product), an individual is expected to retrieve the categories that consist of objects sharing common features with the new target object. Categorization theory suggests that the individual will first attempt to classify the new object

into a known category that is stored in memory rather than evaluate the specific attributes of the new object, as such an instant categorization will reduce cognitive efforts to process the object (Fiske & Neuberg, 1990). When a new product is perceived as related to a known category, the affect associated with that category is transferred to the new product. That is, the new product will be evaluated based on the affect stored in the category schema. If the product is perceived as not related to a category, however, specific attributes of the product will be evaluated and an overall evaluation is generated through certain computational methods (e.g., piecemeal processing). Consumers evaluate a new product or brand in greater detail via an elaborate process when they perceive discrepancies between the product and category expectations.

In general, individuals tend to favor evaluating an object with an evoked category of knowledge, a process of category-based affect transfer, because this method requires less effort to process the related information. This knowledge category, commonly referred to as a schema, contains information about category attributes and their associations, prototypic exemplars, and an affective attachment leading one's attitude toward the members of the category (Fiske & Neuberg, 1990). Murphy and Median (1985) indicate that this coherence knowledge is formed based on "grouping of objects that makes sense to the perceiver" (Murphy & Median, 1985; p.291). That is, the perception of category coherence is partially based on consumers' ability to recognize perceived relationships such as logical links or common threads that are shared among the category members.

### **Categorization theory and brand schema**

Categorization theory and theory of schema affect have provided a basis for many brand extension studies (Barsalou, 1983; Cohen & Basu, 1987; Fiske & Pavelchak, 1986; Murphy & Medin, 1985; Rosch, 1978). Similar to evaluating an object, consumers tend to evaluate new brand extension products on those categories with stored brand information. Researchers have applied categorization theory to the context of brand families to understand the intricate relationships between the core brands and their extension brands (e.g., Meyers-Levy & Tybout, 1989; Sujan & Bettman, 1989; Sujan & Dekleva, 1987). Family brand names are conceptualized as the schema that includes consumers' knowledge about the type of attributes and evaluations associated with a brand name (Sujan & Bettman, 1989). Fry (1967) states that "family branding leads to a connection in consumers' minds which generalizes consumer preferences to all product categories under a brand...A brand name linkage acts as a medium through which consumers spread or generalize preferences and loyalties from one category of products to another" (p.237).

According to Boush and Loken (1991) and Joiner and Loken (1998), a core brand is associated with a particular set of attributes that forms a brand family category and the category becomes evoked when consumers encounter new brand extensions. Since a brand is viewed as a knowledge category, any extension to and from that brand is evaluated based on how well it meets the criteria for membership in the category (Aaker & Keller, 1990; Boush & Loken, 1991; Broniarczyk & Alba, 1994; Park, Milberg, & Lawson, 1991). In general, consumers' evaluations of brand extensions depend on the similarity of the extension and the existing brand category and the relatedness of the market (Bridges, 1992).

Consumers attempt to relate a given brand extension to other products affiliated with the brand. Brand categories consist of brand name, a product or sets of products, functional and expressive attributes, and attribute relationships (Bridges, 1992; Keller & Aaker, 1997; Park, Milberg, & Lawson, 1991). It is generally referred to as brand schema that represents all information consumers possess about the brand (Bridges, 1992). Consumers evaluate relationships among brand attributes based on a variety of product characteristics, such as physical features, the needs the product satisfies, and product usage contexts (Aaker & Keller, 1990; MacInnis & Nakamoto, 1990).

### **Brand and brand extension strategy**

Brand can be defined as “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and differentiate them from those of competitors” (Kotler, 1991, p. 442). Gardner and Levy (1955) assert that a brand name informs consumers about the body of associations that has been built and acquired as a public object over a period of time, such as attitudes, a set of ideas, and feelings that consumers have about brands. Introducing a new brand typically has a high failure rate and requires a huge investment. The cost may increase further due to several factors, such as increased media costs, extensive promotions, and difficulty in obtaining channels of distribution (Smith & Park, 1992; Tauber, 1988). Hence, many firms have relied on established brand names to enter new markets and grow successfully.

Marketers and researchers have described brand extension strategies as a vehicle and a guiding strategy for growth for firms. Leveraging a favorable reputation of an existing

brand into extended products or brands can substantially reduce risks associated with introducing a new product by providing consumers with the familiarity of and knowledge about the existing brand (Aaker & Keller, 1990; Tauber, 1981). Consumers may infer associations and form expectations about the attributes, benefits, and overall quality of the extension from the existing brand (Aaker, 1990; Smith & Park, 1992). Thus, brand extension strategy capitalizes on consumers' positive attitudes toward the existing brand and provides a firm with advantages over individual branding strategy.

Consumer researchers pay increasing attention to factors that influence consumer responses to brand extensions. In general, previous studies on brand extensions relied on two important factors related to the success of brand extension. The first relates to the characteristics of a parent brand, such as perceived quality, wide/narrow brand (brand breadth), and the number of extension (e.g., Bottomley & Doyle, 1996; Broniarczyk & Alba, 1994; Sheinin & Schmitt, 1994). The other is the use of either consumer attitude or market performance as indicators for evaluating the relationship between a parent brand and its extensions (e.g., Aaker & Keller, 1990; Bhat & Reddy, 1997; Chakravarti et al. 1990; Sunde & Brodie, 1993).

While brand extension seems to be an attractive strategy that provides competitive advantages in the marketplace, managers need to be aware of its potential risks. Tauber (1981) suggests monitoring brand dilution because the negative effects of dilution to a franchise occur gradually over time and Buday (1989) observes that "each new introduction under a parent brand umbrella forces the consumers to redefine what the name stands for" (p.29). Gürhan-Canli and Maheswaran (1998) assert that monitoring brand name dilution or

enhancement is one of managers' critical tasks to avoid negative perceptions as well as to enhance existing equity associated with a brand.

Previous studies show mixed findings about the effects of new information on brand evaluations. It has been suggested by a number of researchers that an inappropriate brand extension, in particular, could create damaging associations that may be very difficult for a company to overcome (Aaker, 1990, 1996; Dacin & Smith, 1994; Ries & Trout, 1986). Studies show that extending a brand into incongruent product categories may weaken existing associations or create undesirable and confusing associations that ultimately dilute the brand name (e.g., Aaker & Keller, 1990; Farquhar, 1989, Park et al. 1991; Tauber 1988). Fanning (1987) also reports that extension failure may damage the reputation of the brand name.

In general, studies show that a negative impact occurred to a family brand when extension information related to product attributes and/or quality was inconsistent with the family brand image (e.g., Gürhan-Canli & Maheswaran; 1998; Lane & Jacobson, 1997; Loken & Roedder John, 1993; Milberg, Park, & McCarthy, 1997; Roedder-John, Loken, & Joiner, 1998). That is, negative feedback effects occur when extensions are perceived as belonging to a product category that is dissimilar to the family brand and when extension attribute information is inconsistent with beliefs associated with the family brand. Accordingly, an unsuccessful brand extension can dilute the parent brand name by decreasing favorable attribute beliefs in the family brand name. Milberg, Park, and McCarthy (1997) report that negative feedback effects can occur in the context of both close and far extensions. Roedder-John, Loken, and Joiner (1998) assert that dilution effects on the flagship product and beliefs about the parent brand are identified from inconsistent line

extension information. Sullivan (1990) indicates that performance-related problems may result in negative reciprocal effects in umbrella-branded products.

In contrast, a number of researchers posit that there are no dilution effects or even positive effects that fortify and enhance the image of the parent brand and its extensions. Romeo (1990) argues that negative information about extensions does not seem to dilute the family brand name. Keller and Aaker (1992) assert that there is no negative feedback effect in terms of overall attitude as a result of unsuccessful brand extensions. Specifically, an unsuccessful intervening extension did not affect evaluations of a high-quality core brand, while positive feedback effects existed only when an average-quality parent brand introduces a successful extension. In addition, Roedder-John, Loken, and Joiner (1998) found that consumers' beliefs associated with the flagship product are likely to be strongly held, be resistant to change, and be less vulnerable to dilution with inconsistent brand extensions.

In summary, prior studies have focused on examining attitudinal changes toward the parent brand. Accordingly, dilution or enhancement effects generally emerge in the presence of highly accessible brand extension information (e.g., Ahluwalia & Gürhan-Canli, 2000; Lane & Jacobson, 1997; Milberg, Park, & McCarthy, 1997). Evidence regarding negative reciprocal effects at the attribute level also is considerable (e.g., Gürhan-Canli and Maheswaran, 1998, Roedder-John, Loken, & Joiner, 1998), whereas it is less clear whether negative reciprocal effects exist at the overall attitude level (Keller & Aaker, 1992). However, prior research has produced mixed findings on the effects of new information on family brand evaluations. Haugtved, Leavitt, and Schneier (1993) assert that the processes by which brand names are diluted or enhanced are not understood clearly.

**Brand portfolio management and attitude transfer**

Brand portfolio management is getting much attention from practitioners and researchers. One key challenge in brand portfolio management is getting the most from the existing brands by managing brands and between-brands relationships within the same brand portfolio (Petromilli, Morison, & Million, 2002). They insist that “direct and indirect links or synergies between brands experienced in a similar context can present the greatest opportunity to increase the value of individual brands and of the overall portfolio” (p.23). Pierce and Moukanas (2002) stress holistic portfolio strategies because individual brands within a portfolio become more powerful when they are interrelated.

Managing brand portfolios is also a main issue in lodging operations. Koonce (1998) predicts that, similar to the airline industry, only about four or five major companies are going to dominate the lodging industry. Moreover, chain-affiliated hotels constantly outperform independent hotels and this trend is expected to continue in the future (Lomanno, 2001, 2002). In fact, most leading lodging companies tend to concentrate their resources on how to develop and add further value to their existing and inherited brands (Ledger & Hill, 2001; Nardoza, 1998; “World hospitality forum,” 1999).

Prior lodging studies provided mixed results for both positive and negative effects of brand portfolios. Ravenscraft (1983) and Enz and Potter (1998) assert that increased variety in products leads to a higher market share and higher profit as long as the cost impact of expansion is carefully assessed by hotel companies. In addition, effects of consolidation and mass branding seem to generate an immediate positive short-term increase in shareholder value for their parent companies (“Upscale hotels will,” 1999).



Recent studies claim several negative effects of forming and managing brand portfolios. Haussman (2002) argues that lodging companies that possess multiple brand products clustered in the same corporate programs result in a decreasing value proposition (e.g., increasing operational costs but declining service delivery quality) for the hotel owners and franchisees. Similarly, mass branding could decrease the quality of services as it tends not to promote personalized services expected by guests (“Upscale hotels will,” 1999). Brand portfolio management is even more challenging because of the pressure for price discounts and commoditization of lodging products, especially from non-traditional distribution channels like Internet intermediaries (e.g., Hotels.com, Travelocity.com, and Priceline.com).

Given fragile customer loyalty and fast shifting market preferences, companies building a strong brand will increase competitive advantages. Nardoza (1998) asserts that lodging firms need to effectively integrate businesses, develop customer-focused business strategies, and deploy advanced technologies to gain competitive advantages after consolidation. To maximize profits from the firm’s entire portfolio of products, management needs to clearly understand how consumers perceive the brands of its portfolio. Therefore, it is critical to clearly understand the attributes of a brand that influence customer behavior and the synergies that exist among brands in the same portfolio.

Marketers have effectively used categorization theories and brand schema to explore attitude transfer between related brands. As discussed in the previous section, the process of attitude transfer has been widely investigated based on categorization theory and reported in the brand extension strategy and family branding literatures. One of the potential benefits of brand extensions is the transfer of positive attitudes toward the family brand to a newly

introduced product (Farquhar, 1990). In general, consumers often use information readily available in the existing product categories or associated with the parent/family brand name to judge newly introduced products. Thus, preexisting attitudinal structures within a category become transferred to a newly categorized product.

These findings are relevant to the current research because they demonstrate that consumer attitudes toward a brand portfolio can be transferred to its extended brands. While brand extension strategy is somewhat different from that of brand portfolios, it provides important implications for brand portfolio management. Categorization theory posits that when consumers are faced with limited resources they look to some peripheral cues of the evaluated target to simplify complex decision tasks. In the context of brand portfolios considered, such cues are provided by the degree to which the target brand is initially categorized as a member of the brand portfolio concept. For that reason, the current research views a brand portfolio as a schematized category that affects consumers' attitude formation process toward individual brands (see Fry, 1967; Meyers-Levy & Tybout, 1989). Building on previous studies, this research examined an attitude formation process of lodging brand portfolios and their extended brands. The next section discusses the attitude formation process based on several key variables related to brand-specific associations and brand portfolio effects.

## **Brand-Specific Association Effects**

MacInnis and Nakamoto (1990) refer to brand-specific association as an attribute or benefit that differentiates a brand from competing brands. Aaker (1990, 1996) reveals that brand associations are the category of a brand's assets and liabilities that include anything "linked" in memory to a brand, which facilitate consumers to process, organize, and retrieve information to assist them in making purchase decisions. According to Fournier (1998), a key determinant of long-term business-consumer relationships depends on how consumers perceive brands. Nonetheless, understanding consumers' perceptions of brands is complex because multi-dimensional constructs of brand associations are very similar to each other (Aaker, 1996; Keller, 1993). By and large, researchers conceptualized brand associations into four major dimensions: perceived quality, brand image, brand awareness, and brand attitude (Aaker, 1992b; Farquhar, 1989, 1990; Keller, 1993).

## **Product and service quality**

Quality has been identified as one of the most important and salient factors related to the strength of a brand. According to prior studies (Jacobsen & Aaker, 1987; Farquhar, 1990; Zeithaml, 1988), perceived quality of products and services is central to the theory that strong brands add value to consumers' purchase evaluations. Quality is also strongly related to other key variables such as market share, price, and cost (Farquhar, 1990; Hellors & Jacobson, 1999; Jacobson & Aaker, 1987). Aaker (1990) emphasizes the importance of perceived quality because quality 1) impacts financial performance, 2) is often a major strategic thrust of a business, and 3) is linked to other aspects of perceptions of a brand.

Aaker (1996) asserts that perceived quality is a bottom-line measure of the impact of a brand identity and reflects a measure of goodness that spreads over all elements of the brand. In addition, quality is closely related to overall brand attitude and is one of the most influential factors in purchase behavior (Krishnan & Chakravarti, 1993; Smith & Park, 1992).

In the context of brand extension, use of an established brand name for a new extension product signals the consumer about the quality of a new product (Erdem & Swait, 1998). Companies use their brand as an implicit bond for the quality of the product when extending an established brand name to a new product (Montgomery & Wernerfelt, 1992; Wernerfelt, 1988). This is because uncertainty about product attributes is high with new products and prior experience with any of the products is expected to affect quality perceptions of the products that share the same brand name. Prior studies indicate that, in general, there is a positive relationship between the product quality of a parent brand and evaluations of its extensions (e.g., Aaker & Keller, 1990; Bottomley & Doyle, 1996). Keller and Aaker (1992) assert that high-quality brands can extend further to more distant extension products. According to Ahluwalia and Gürhan-Canli (2000), extension information would be diagnostic to the extent that it indicates the quality of the family brand.

### **Brand image**

A favorable reputation or image of a brand has been considered a valuable competitive advantage for a firm (Aaker, 1990; Berry, 2000; Webster, 2000). Kotler (1991) defines brand image as “the set of beliefs held about a particular brand” (p. 197), while Aaker (1992) refers to brand image as “a set of associations, usually organized in some meaningful way” (p. 109-110). Aaker and Keller (1990) define brand reputation as a perception of

quality associated with the name. According to Herbig and Milewicz (1993), reputation is formed by a process that accumulates relevant judgments over time of the various groups who interact with the firm. They define reputation as “an estimation of the consistency over time of an attribute of an entity” (p. 18). Yoon and his colleagues (1993) refer to reputation as a reflection of the firm’s history that serves to communicate to its target groups related to the quality of its products or services in comparison to those of its competitors. Brand image in this research is viewed as synonymous to reputation, following prior research that defines image as the total impression of a company or brand (e.g., Dichter, 1985; Dowling, 1993). Hence, brand image refers to the overall reputation and perception of the hotel brand (e.g., Oh, 2002; see also, Selnes, 1993; Shapiro, 1983; Zeithaml, 1988)

Many studies reveal a positive relationship between a favorable brand image and firm’s performance. Fombrun and van Riel (1997) indicate that brand reputation is a stable construct that represents the distillation of multiple images over time that represents the brand’s performance. Understanding key stakeholders’ perceptions of brand reputation is crucial for brand management (Balmer, 1995), especially in developing and maintaining customer loyalty (Andreassen & Lindestad, 1998; Brown & Dacin, 1997; Selnes, 1993). Aaker and Keller (1990), Shapiro (1983), and Zeithaml (1988) suggest that the reputation associated with a brand name is closely related to the perceived quality of the product or service. According to Poiesz (1989), not only the corporate image perceived by the public has become vital for success, but also there has been a “shift in attention away from the physical aspects and functional benefits of products to their symbolic associations, expressiveness” (p. 461) in the product and brand level.

People develop knowledge categories or schemas to interpret their perceptions of a company, and brand image is believed to have the same characteristics as self-schema (Markus, 1977). Favorable brand image can be an extrinsic cue for both existing and potential buyers because it influences buyers' purchase decisions by stimulating purchase from one company based on simplified decision rules. Andreassen and Lindestad (1998) argue that intrinsic cues are strongly tied to product or service, whereas extrinsic cues are only part of product or service. Studies (Hoch & Ha, 1986; Selnes, 1993) reveal that extrinsic cues (e.g., brand image) will be considered more intensively when intrinsic cues (e.g., product attitude) have low predictive value or the customer has low confidence in the evaluation process. According to Fombrun and van Riel (1997), reputation provides a representative indication of brand performance.

To this end, brand extension has been a strategic goal for many firms in an attempt to leverage the reputation of its brands (Aaker, 1990). Brown and Dacin (1997) assert that consumers' cognitive associations for a company is considered an important strategic asset (Dowling, 1993; Weigelt & Camerer, 1988), a source of sustainable competitive advantage (Aaker, 1996; Ghemawat, 1986; Hall, 1993), and, therefore, an important strategic task of a company (Barich & Kotler, 1991; Fombrun & Shanley, 1990). Fombrun (1996) asserts that high reputation and credibility are important in producing positive attitude changes toward the brand as well as influencing purchase intentions. Consumers are likely to incorporate information related to the reputation of a company into the purchase decision-making process and to be motivated to use cognitive processing when assessing a brand (Lafferty & Goldsmith, 1999).

According to Fishbein and Ajzen (1975), every brand is expected to have its own descriptive characteristics that forge an image over time. An argument from Oh (2002) in this aspect is that this descriptive component, often delivered through various communication channels to the market, captures brand-associated attributes and offerings. Oh (2002) asserts that “whereas higher brand reputation tends to generate higher market retention through increased repurchase rates, customers are likely to attribute their repurchase to the confidence or trust they impute in the reputation of a brand” (p. 281). According to Dube and Renaghan (2000), brand reputation is one of the important attributes for lodging guests’ decision making. Oh (2000a, b) reports that brand effects, such as brand class and brand reputation, were important antecedents of customer value and behavioral intentions.

### **Brand awareness**

The consideration set of consumers has been considered an important concept for understanding the purchase decision process (e.g., Howard & Seth, 1969; Hoyer, 1984; Narayana & Markin, 1975). Correspondingly, brand awareness is widely recognized as an important concept in consumer behavior, especially in terms of advertising management and dimension of brand equity. Keller (1993) asserts that brand awareness is reflected in consumers’ ability to identify the brand under different conditions. Accordingly, there are two basic approaches to assess awareness; (1) *brand recall* that “relates to consumers’ ability to retrieve the brand when given the product category, the needs fulfilled by category, or some other type of probe as a cue” (p. 3), and (2) *brand recognition* that “relates to consumers’ ability to confirm prior exposure to the brand when given the brand as a cue”

(p. 3). Similarly, Laurent, Kapferer, and Roussel (1995) identify three classical measures of brand awareness in a given product category: “(1) *Spontaneous awareness* for which consumers are asked without any prompting to name the brands they know, even if only by name, in the product category; (2) *Top-of-mind awareness*, which uses the same question; and (3) *aided awareness* for which brand names are presented to interviewees” (G170).

The role of brand awareness is important in understanding the consumer decision-making process. Consumers tend to be passive in receiving product information and spend minimal time and cognitive efforts in choosing brands, especially in low-involvement situations (Hoyer, 1984). Yoo, Donthu, and Lee (2000) insist that high brand awareness signals quality and commitment and, therefore, assists consumers to consider products and services of that brand at the point of purchase. Similarly, studies indicate that high brand awareness positions the brand in the consumer’s evoked set and increases the probability that the brand will be purchased. That is, brand awareness affects consumer decision-making by influencing which brands enter the consideration or evoked set (Hoyer & Brown, 1990; Macdonald & Sharp, 2000).

Brown and Stayman (1992) assert that brand cognition has a significant effect on brand attitude. Building on Hoyer and Brown’s study (1990), Macdonald and Sharp (2000) replicated the study in a different product category, with a larger sample and at different experience levels, and found similar results. Keller (1993) suggests three major reasons for brand awareness in consumer decision making; “(1) it is important that consumers think of the brand when they think about the product category, (2) brand awareness can affect decisions about brands in the consideration set, even if there are essentially no other brand



associates, and (3) brand awareness affects consumer decision making by influencing the formation and strength of brand associations in the brand image” (p. 3).

### **Brand attitude toward extended brand**

Brand strength refers to brand characteristics that make consumers more or less predisposed to the brand (Marketing Science Institute, 1988). Srivastava and Shocker (1991) refer to brand strength as the set of associations that permits the brand to enjoy a sustainable and differentiated competitive advantage. In general, prior research has conceptualized brand strength in terms of consumers’ brand attitude and beliefs. Brand attitudes, generally defined as overall evaluations of a product or brand, have been one of the widely studied variables in consumer behavior research.

A constructive brand attitude is prominent in information processing and decision-making process (Lutz, 1975). Rosenberg (1956) implies that an attitude possesses cognitive-affective-conative components. The explicit assumption has been that attitude is a strong criterion construct that significantly affects consumer behavior. Accordingly, a positive attitude is a predisposition to sustainable competitive advantages (e.g., Berger & Mitchell, 1989; Day & Deutscher, 1982; Gresham et al., 1984; Ryan & Bonfield, 1980; Shimp & Kavas, 1984). Studies show more positive product evaluations and market share for extensions of stronger brands (e.g., Aaker & Keller, 1990; Smith & Park, 1992).

Desai and Mahajan (1998) assert the importance of affect-based differentiation that is based on development of affect-based brand attitude. This is because the difficulties for brands to create and sustain cognitive differentiation due to the increasing number of brands

in a category, especially in a matured market. According to Aaker (1990), consumers' overall attitude toward a brand is the basis of all brand associations as well as the core of many conceptualizations of brand strength and equity.

Marketers use brand associations not only to differentiate, position, and extend brands, but also to create positive attitudes and feelings toward brands. According to Park et al. (1986), favorable attitudes toward a brand place products in the mind of consumers and differentiate given products from other brands in the same product category. Numerous studies identify the construct of attitude toward a brand as one of the most important determinants of consumers' behavioral intentions (e.g., Fishbein & Ajzen, 1975; Howard & Sheth, 1969; Laroche & Brisoux, 1989; MacKenzie & Spreng, 1992; McCarthy, Heath, & Milberg, 2001; Miniard & Cohen, 1983; Warshaw, 1980).

## **Brand Portfolio Effects**

### **Brand attitude toward brand portfolio**

Categorization theory posits that affect associated with a category is transferred to a newly encountered category member (Cohen & Basu, 1987; Fiske & Neuberg, 1990). In the context of brand extension, a brand is a category or schema, and the extended brand is considered a new member of the pre-existing category of the parent brand in consumers' minds (Boush & Loken, 1991; MacInnis & Nakamoto, 1991). In view of that, brand attitude has been identified as an important construct in the area of brand extension research (e.g., Aaker & Keller, 1990; Boush & Loken, 1991; Dacin & Smith, 1994; Smith & Park, 1992).

Accordingly, consumers generally indicate more favorable evaluations of brand extensions that are introduced from relatively well liked parent brands.

For the most part, a main focus of brand extension studies is on understanding factors that influence consumers' evaluation of brands and its extensions by transferring their brand affects (Boush & Loken, 1991). In this context, many researchers measure consumer evaluations of the extension and the core brand in terms of favorability or likeability (e.g. Lane & Jacobsen, 1997; Sheinin & Schmitt, 1994; Smith & Andrews, 1995). Generally, consumers need to possess positive beliefs and favorable attitudes toward the core brand for the extension to be successful. That is, there has to be a transfer of favorable attitudes from the core brand to the extension for the latter to be successful (Aaker & Keller, 1990).

Favorable beliefs and attitudes are important for brands to be successful because they differentiate one brand from others. According to Simonin and Ruth (1998), although the literature on brand extensions addresses the impact of brand attitudes as applied in a new product category, more attention should be directed to how consumers form brand attitudes and associations in responding to the combination of two or more brands. According to information integration theory, attitudes are formed and modified as people receive, interpret, evaluate, and then integrate stimulus information with existing beliefs or attitudes (Anderson, 1981). Gaeth, Levin, Chakrabarty, and Levin (1990) observe that including high-quality products that are favorably evaluated by consumers enhance evaluations of bundled products.

Simonin and Ruth (1998) investigate the transfer of favorable attitudes in a brand alliance setting. Accordingly, a brand alliance between two different brands not only represents a new type of evaluations but also influences how both brands are evaluated. Results indicate that consumers' prior brand attitudes toward each partner directly influence

the evaluations of the brand alliance as well as the post-exposure attitudes toward the same brand. In addition, attitudes toward the brand alliance are related positively to post-exposure attitudes towards the brands. Similarly, Bhat and Reddy (2001) also empirically identify that affects toward the parent brand positively impacts affects toward the extension.

### **Moderating role of familiarity and fit**

The current study proposes two moderating variables (i.e., familiarity and fit) of brand portfolio evaluations, particularly for the transferability of brand portfolio attitude to extension attitude. That is, brand familiarity and perceived fit are expected to affect the direction and/or the strength of relationship between brand portfolio attitude and attitude toward extension brands. The following sections discuss each moderator variable separately.

#### Familiarity

Prior studies indicate that consumers who have high familiarity with products process information and evaluate these products differently from those who are less familiar (e.g., Bettman & Sujan, 1987; Broniarczyk & Alba, 1994; Johnson & Russo, 1984; Rao & Monroe, 1988). Alba and Hutchinson (1987) suggest that familiarity, the numbers of product-related experiences accumulated by a consumer, and expertise, the ability to perform product-related tasks successfully, are the major components of product knowledge. Cohen and Basu (1987) suggest that the categorization process becomes more difficult and can lead to negative feedback effects when consumers have low familiarity with products. While an effective categorization reduces uncertainty, a negative affect can occur from inability to categorize an

item. Accordingly, “how such categorization will be accomplished may depend importantly on the degree of product complexity and the consumer’s background knowledge.” (p. 470).

Similarly, a positive attitude is generated in the categorizing process and it can change the assessment of a new product (Meyer-Levy & Tybot, 1989; Stayman, Alden, & Smith, 1992). Park and Lessig (1981) suggest that familiarity facilitates the acquisition of new information as well as use of the existing information. Accordingly, consumers develop strong knowledge structures or schema about a product as they become more familiar with the product. According to Simonin and Ruth (1998), as brand-related experiences and associations are extensive (i.e., familiar brands), the relative degree of liking for the brand is well established and stable (Bettman & Sujan, 1987).

On the other hand, preexisting attitudes may be either unformed or weak for relatively unfamiliar brands (Fazio & Zanna, 1981). Park and Lessig (1981) assert that differentially familiar consumers not only develop schema differently, but they also use different information in product evaluations. As familiarity increases, the amount of cognitive effort needed to process product-relevant information decreases. Therefore, many information-processing tasks become automatic for the consumer, and schemata or scripts become very detailed.

By extending to the brand portfolio context, the current study suggests that consumers with a different level of familiarity (e.g., high and low) differ in their attitude extendibility between a brand portfolio and its extended brands. When consumers are more familiar with a brand portfolio, the positive effect of attitude transferability will be higher than with less familiar consumers. Consumers who are familiar with the brand portfolio (i.e., high

familiarity) presumably have access to the category and brand information that they can retrieve from memory.

According to Rao and Monroe (1988), knowledge structures or schema about a product are better developed as familiarity increases. Thus, consumers in the high familiarity condition can effectively generate a complex schema that includes information about other product attributes. Therefore, as consumers become more familiar with the product, they can make a purchase decision with less cognitive effort based on previously established categories. For that reason, familiar consumers are expected to efficiently transfer brand portfolio attitudes to extended brands by facilitating the retrieval of a brand portfolio category and relevant information among brands. Conversely, low-familiar consumers have a relatively less developed schema with little intrinsic attributes, which forces consumers make a purchase decision based heavily on extrinsic attributes. Hence attitude transferability from a portfolio to extended brands is expected to be weaker for low familiarity than for high familiarity. That is, the use of relatively simple decision heuristics based on categorization or schema tends to decrease as consumers' familiarity of the brand portfolio decreases.

### Fit

Many researchers have considered fit to be a key factor in brand extension (e.g., Aaker & Keller, 1990; Boush & Loken, 1991; Sheinin & Schmidt, 1994). They consider the fit of a parent or core brand and its extensions in terms of their product similarity. In general, fit is referred to as the degree to which consumers view the extension product as being similar to the existing products affiliated with the brand (e.g., Aaker & Keller, 1990;

Bottomley & Holden, 2001; Tauber, 1993). A main argument from schema and categorization theories is that people organize objects or information into known categories, which assists them with processing and understanding their environment more efficiently (Rosch & Mervis, 1975). That is, if a person perceives an object to be a member of a category, the components of the category are transferred to the object.

To that extent, prior studies suggest the brand name serves as the category label or brand schema, and the degree to which brand associations are transferred to an extension depends heavily on the level of perceived fit between the extension category and the brand (e.g., Aaker & Keller, 1990; Boush & Loken, 1991; Morrin, 1999; Smith & Park, 1992). Consumers are more likely to infer the parent brand characteristics in the extension if the extension is perceived to be similar to the parent brand. Barwise and Robertson (1992) assert that consumers' perceptions of fit between products are crucial in deciding whether to initiate brand extension strategies and develop a multi-brand portfolio.

Prior brand extension studies examine that fit is closely related to brand attitudes (e.g., Aaker & Keller, 1990; Dacin & Smith, 1994; Park, Milberg, & Lawson, 1991). Park, Milberg, and Lawson (1991) suggest that consumers' evaluations of brand extensions vary systematically as a function of the fit between the family brand and the extension category. According to Farquhar (1989) and Kotler (1997), consumers can use the brand label as a surrogate for performance if a brand's products offer consistency with respect to attributes that are difficult to observe before purchase. Montgomery and Wernerfelt (1992) reveal that the transfer of quality perceptions is a key factor in umbrella branding because it affects evaluations of other products that share the same brand name. In addition, Fry (1967) argues

a favorable evaluation of an extension product based on family brand equity will occur only when no cues differentiate a single extension from the family brand. Likewise, Neuhaus and Taylor (1972) indicate preferences for family branded products were found to be stronger for low product attribute differentials.

As previous studies have shown, attitude transfer depends on perceived similarity between two products. Consistent with categorization theory, brand portfolio can be viewed as a category and products are evaluated based on how well they meet the criteria for membership in the category. Accordingly, consumers evaluate products based on specific attributes with a piecemeal processing rather than category schema if it is perceived not related to the category.

Based on the logic given above, the current study suggests that the relationship between attitudes toward a brand portfolio and its extended brands varies depending on the level of perceived fit. A lower level of perceived fit is expected to decrease the positive effects that the portfolio has on its extended brands. That is, the positive effects of attitude transferability from a portfolio to its extended brands may decrease if consumers perceive less fit. On the other hand, the greater the fit between a brand portfolio and extensions, the more diagnostic information about the brand portfolio is for consumers to make judgments about the extended brands. This is because consumers will evaluate extended brands related to the attitude toward the brand portfolio already stored in a category schema. Therefore, for higher levels of perceived fit, the effect of brand portfolio attitude on extended brands will be larger and increase the ability of the brand as a risk reduction heuristic.



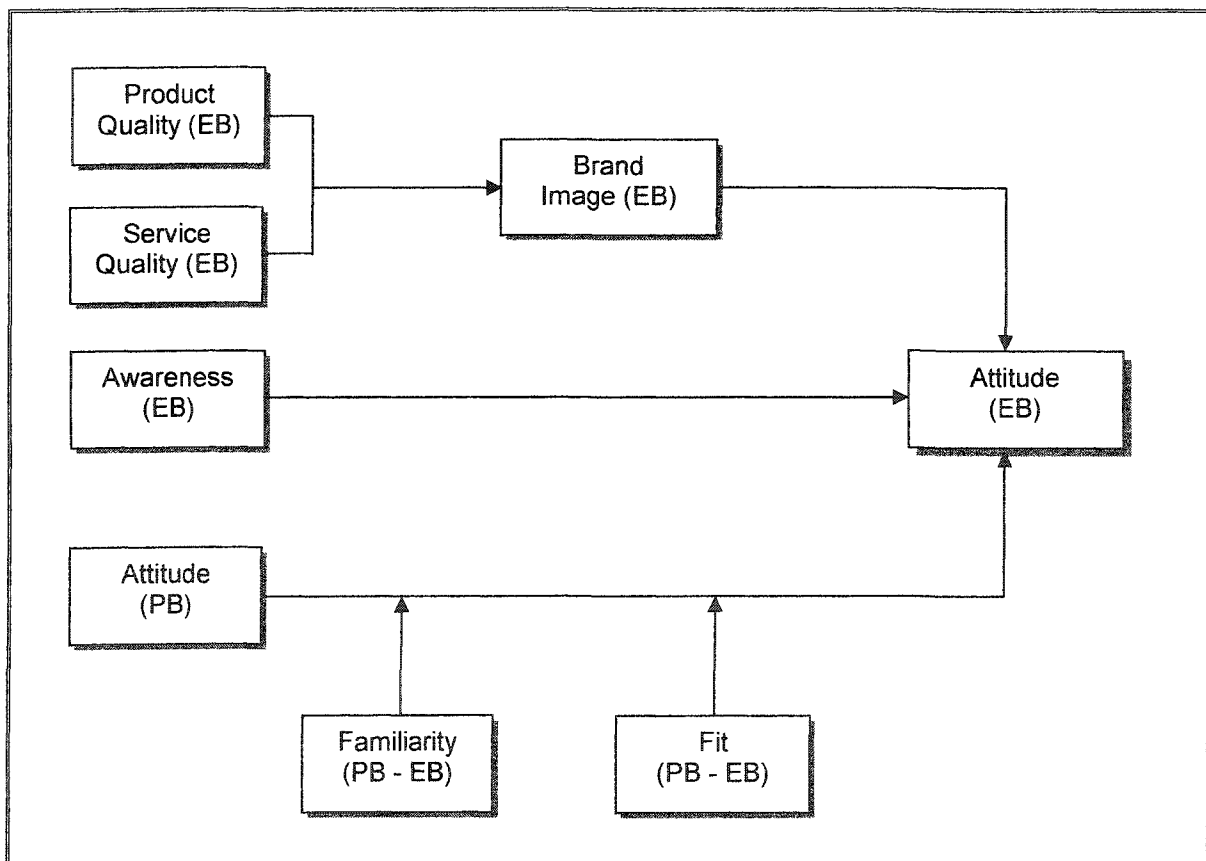
## Conceptual Framework and Research Hypotheses

### Conceptual framework

This study proposes a conceptual framework (Figure 2) to describe consumer evaluations of brand portfolios. The model incorporates the effects of brand-specific associations and brand portfolio on brand attitudes towards extended brands. In addition, moderating roles of familiarity and fit are suggested for attitude transferability between a brand portfolio (i.e., parent brand) and its extended brands.

**Figure 2.**

### Conceptual Framework of Consumers' Evaluation of Brand Portfolios



Note: PB = Parent brand, EB=Extended brand

Tauber (1981) suggests that brand extensions can offer firms a “strategic opportunity to evaluate and redefine the nature and direction of their business” (p. 1). If a firm expands its product systematically, it can not only broaden the nature and direction of its business but also avoid marketing myopia (Levitt, 1960). According to Park et al. (1991), when a firm systematically introduces brand extensions that are consistent with a broader and more abstract product category, it can modify the brands’ core business definition as well as enhance the brand’s ability to extend to more products and product categories. On the other hand, many studies caution consumers’ negative feedback both on the extended as well as core parent brand (e.g., Gürhan-Canli & Maheswaran, 1998; Keller & Aaker, 1992; Roedder-John, Loken, & Joiner, 1998; Sullivan, 1990). Based on related studies, the current study examines several major factors that may affect consumers’ evaluations of brand portfolios.

This study suggests that brand-specific associations as well as attitudes toward a brand portfolio will have an impact on brand attitudes toward the extended brands of the portfolio. That is, consumers’ attitudes toward extended brands are influenced by relative perceptions of brand-specific associations and attitude extendibility from the brand portfolio. Furthermore, moderating effects of familiarity and fit in a portfolio evaluation process is proposed. Specifically, the conceptual framework proposes antecedents of consumer attitudes toward extended brands, including (1) brand-specific associations (i.e., service and product quality, brand image, and awareness), (2) brand portfolio effects, specifically attitude extendibility from the brand portfolio to extended brands, and (3) the moderating role of familiarity and fit among products in the brand portfolio evaluation process.

## Research hypotheses

Brand name is a complex symbol that represents a variety of ideas and attributes. It is a promise to the customer that the company will provide a certain level of product quality and service. Well-established brands could identify an operation in the consumer's mind, differentiate among alternative choices, and enhance customer loyalty. Quality is a multidimensional construct and consumers could have different levels of uncertainty with respect to the various dimensions of quality. Therefore, for the purpose of the current study, the overall quality of a lodging brand is composed of service and product components. While many consumer researchers identify the importance of service and product quality in product evaluations (e.g., Bolton & Drew, 1991; Parasuraman et al., 1988), Baker and Parasuraman (1994) suggest that consumer perceptions of quality were direct determinants of brand image. Many other studies also reveal that high quality of both services and products enhances brand image (e.g., Nguyen & LeBlanc, 1998; Sweeney, Soutar, & Johnson, 1999; Wang, Lo, & Hui, 2003; Zeithaml, 1996; Zins, 2001). Therefore, it is expected that:

***H1: Product quality is positively related to brand image.***

***H2: Service quality is positively related to brand image.***

While brand image has not been widely considered in brand extension related studies, previous studies indicate that a favorable brand image is an asset to a firm and an important variable in the consumer decision-making process (e.g., Aaker, 1990; Berry, 2000; Webster, 2000; Yoo, Donthu, & Lee, 2000). This research incorporates the concept of brand image into the conceptual framework, as it was identified to be an important construct that affects

consumer behaviors (e.g., Brown & Dacin, 1997; Yoo, Donthu, & Lee, 2000; Oh, 2002). Brand image is believed to have the same characteristics as self schema (Markus, 1977), which provides a strong representation of brand performance (Fombrun & van Riel, 1997). According to Park et al. (1986), consistency in brand image facilitates positioning a brand's products and differentiates these products from those of other brands in the same product category. One of the major reasons in using brand extension strategy is to leverage a favorable image of a brand to other products (Aaker, 1990). Prior studies suggest that when a consumer has a favorable image toward a brand, it produces a positive attitude and increases purchase intentions (e.g., Fombrun, 1996; Lafferty & Goldsmith, 1999). Therefore:

***H3: Brand image is positively related to brand attitude.***

Following previous studies (Keller, 1993; Laurent, Kapferer, & Roussel, 1995), brand awareness is referred to as brand recognition and aided awareness. Prior studies state that high brand awareness increases the probability that the brand will be purchased because the brand is positioned in the consumer's evoked set (e.g., Aaker, 1991; Alba & Hutchinson, 1987; Farquhar, 1990; Hoyer & Brown, 1990; Yoo, Donthu, & Lee, 2000). Similarly, the important role of awareness in forming attitudes toward extended brands in the consumer decision-making process is suggested in this study. Yoo, Donthu, and Lee (2000) argue that high brand awareness leads to a favorable behavior for the brand and strengthens brand equity. According to Brown and Stayman (1992), brand awareness has a significant effect on brand attitude. Consistently, Farquhar (1990) asserts that "the stronger the association

between a brand and its evaluation stored in the consumer's memory, the more it is that attitude will guide product perceptions and influence purchase behavior" (p. 9). Therefore:

***H4: Brand awareness is positively related to brand attitude.***

The concept of attitude occupies a central role in explaining consumers' behavior. As previously stated, categorization theory supports the transferability of an effect associated with a category to a newly encountered member (e.g., Cohen & Basu, 1987; Fiske & Neuberg, 1990). Consumers generally prefer an extended product introduced from comparatively well-liked brands (e.g., Dacin & Smith, 1994; Smith & Park, 1992). One of the major purposes for initiating a brand extension strategy is to take advantage of the favorable attitude of its brands that is extendable to other products (Aaker, 1990). To that extent, this study implies that brand portfolio serves as a category or schema that represents its own attitudes, and attitudes toward extended brands are influenced by it. Thus, the following hypothesis is addressed:

***H5: Attitude toward a brand portfolio is positively related to attitude toward its extended brands.***

According to categorization theory, the schema of a familiar brand will be activated and the associated effect will be transferred to its extended brand (Cohen, 1982; Sujan & Dekleva, 1987). Consumers who have high familiarity with a product more effectively categorize information and develop a stronger knowledge structure than less familiar

consumers (e.g., Cohen & Basu, 1987; Park & Lessig, 1981). Furthermore, a negative evaluation of products may occur when consumers are not familiar with the brand (Bettman & Sujan, 1987; Fazio & Zanna, 1981; Stayman et al., 1992). Therefore, attitude transferability between a brand portfolio and extended brands may be different, depending on how familiar consumers are with the brand portfolio. Specifically, a stronger relationship between brand portfolio attitude and extended brand attitude is expected for highly familiar brand portfolios because affect is well established in consumers' mind. In comparison, when familiarity with the brand portfolio is relatively low, affect generally is not well established and, thus, is less accessible and stable. Therefore, the existing network of associations and attitude strength are relatively weak for less familiar brand portfolios and may weaken attitude transferability from a brand portfolio to its extended brands.

***H6: The positive effect of attitude toward a brand portfolio on attitude toward its extended brands increases as familiarity with the relationship between the brand portfolio and its extended brand increases.***

Consistent with previous studies (e.g., Bridges, 1992; Park et al., 1991), this research conceptualizes fit as a consistency and similarity between an extended brand and a brand portfolio. Drawing mainly from schema and categorization theories, perceived fit between an extension category and a brand is important for transferring brand attitude of the parent brand to an extension (e.g., Aaker & Keller, 1990; Boush & Loken, 1991). In general, categorization judgments and the transfer of brand attitudes are related closely to consumers' perceptions of fit. That is, transfer of positive attitude depends on how well an extended product is perceived to represent the brand (e.g., Cohen, 1982; Boush & Loken, 1991;

Milberg et al., 1997; Sheinin & Schmitt, 1994). Based on prior research, the current study expects that the effect of brand portfolio attitude on extended brand attitude varies with respect to the level of fit. Specifically, consumers are expected to evaluate the extended brands based on category schema and transfer their attitude toward a brand portfolio fully to its extended brands when the portfolio and extended brands are perceived to be fit. In contrast, attitude transferability is predicted to be limited if the brand portfolio and extended brand are perceived to be inconsistent and/or dissimilar.

***H7: The positive effect of attitude toward a brand portfolio on attitude toward its extended brands increases as the fit between the portfolio and its extended brands increases.***

## **V. Summary**

This chapter reviewed categorization theory and studies related to brand and brand extensions strategies. While the strategy of brand extensions is somewhat different from that of brand portfolio, it provides important implications for brand portfolio management, especially on several key concepts for evaluating brand portfolios. Both brand-specific associations and brand portfolio effects were integrated into the same conceptual framework. In addition, transferability of brand portfolio attitude to extended brand attitude is proposed to be moderated by familiarity and fit. This chapter also discussed a research framework and hypotheses for the current study.

## CHAPTER III. RESEARCH METHODOLOGY

### Research Design

The current study uses a survey method based. Most studies related to multi brands, umbrella brands, and family brands that incorporate the concept of brand extension strategy used experiments with hypothetical brands. While highly controlled lab experiments provide valuable insights from theoretical perspectives, a survey study could enhance the external validity of study results from managerial perspectives (e.g., Carpenter, 2000; Swaminathan, Fox, & Reddy, 2001; Winer, 1999).

In the context of brand portfolio, in particular, it is imperative to evaluate a brand portfolio as a whole. This is because a firm needs to identify potential opportunities to increase its overall value with its limit resources (Petromilli, Morison, & Million, 2002). Accordingly, in order to effectively manage a brand portfolio, management needs to understand clearly which brands customers perceive as being in the portfolio, what relationship customers see between brands in the portfolio, and whether customers transfer the value (positive or negative) that they see in one brand to another. Therefore, a field survey approach incorporating real brands employed in this study could provide many advantages over previous experiment studies.

Even though many studies provide anecdotal observations of brand portfolios and the use of brand extension strategies in the hospitality industry (e.g., Aaker, 1991; Janiszewski & Van Osslelaer, 2000; Kaushik & Keller, 2002; Kim, Lavack, & Smith, 2001; Milberg, Park, & McCarthy, 1997), research-based empirical results are scarce in the lodging industry. This



study concentrates on a single-product category (i.e., the hotel segment) in which consumers could maximize utility (Erdem, 1998; Milberg, Park, & McCarthy, 1997; Rangaswamy, Burke, & Oliver, 1993; Roberts & Urban, 1988). In addition, following Bhat and Reddy (2001) and Simonin and Ruth (1998), existing rather than fictitious brands are explored so that the brand portfolios could induce realistic brand effects and associations. In addition, this study includes multiple brands with the intention that the results would not be dependent on a particular brand selected (e.g., Simonin & Ruth, 1998; Yoo, Donthu, & Lee, 2000).

The current study limits its scope by excluding those hotel products in the luxury and economy/budget segments. Lodging brand portfolios of Hilton Hotels Corporation and Marriott International were used as sample products because they are identified as leading lodging companies that have diversified their brands into different market segments of the industry ("Top 50 Hotel Companies," 2002). Table 1 summarizes the sample products used in this study.

**Table 1.**  
**Sample Products**

<b>Portfolio Brand</b>	<b>Extended Brands</b>	<b>Portfolio Brand</b>	<b>Extended Brands</b>
<b>Marriott International</b>	Renaissance Hotels and Resorts Fairfield Inn	<b>Hilton Hotels Corporation</b>	Embassy Suites Hampton Inn

## **Sample Selection**

This study concentrates on the perspective of consumers. Studies indicate that it is important to understand brand portfolio and its individual products from the consumers' perspective, because consumers ultimately determine a brand's success (e.g., Kane, 1987; Klink & Smith, 2001; Petromilli, Morison, & Million, 2002). According to the American Hotel & Lodging Association (2002), the majority of lodging customers are employed in a professional or managerial position (53%), have an average yearly household income is of \$76,394 for business travelers, and an age range of 35-54 (46%). Hence, this study chose to examine faculty and staff members randomly drawn from Iowa State University telephone directory. Based on the number of measurement items and variables used in this study as well as an expected response rate of 25 percent, 800 questionnaires (200 per hotel brand) were distributed to obtain approximately 200 responses.

## **Questionnaire Development**

This study used a survey method with actual lodging brands so that the relationship between brand portfolios and extended brands could be assessed in realistic situations. The self-administered questionnaire consisted of three major measurement sections: 1) brand-specific associations (i.e., product and service quality, awareness, and brand image) and brand attitudes toward extended brands, 2) brand portfolio effects (i.e., brand portfolio attitude, familiarity, and fit), and 3) demographic information. Four versions of the questionnaire were prepared, each customized for the four lodging brands; the items were structured identically for all versions. The measurement items for the current study were based on related studies (see Table 2). A pretest was conducted to evaluate how the

questionnaire performed under actual conditions of data collection (Churchill & Iacobucci, 2002; Dillman, 2000). The questionnaires were mailed to approximately 30 subjects drawn from the same sampling frame who were later excluded from the main study. As Dillman (2000) suggested, a convenience sample of 20 professors and graduate students of a hospitality program were included in the pretest.

## Measures

The questionnaire was composed of measurement items that were used in the literature or slightly modified for the purpose of this study. The measurement items are summarized in Table 2. Most variables were measured with multiple items based on Churchill's (1979) recommendation to assess construct reliability. A seven-point scale with a mid-neutral point was used for all quantitatively measured variables (Bendig, 1954; Green & Rao, 1970; Miller, 1956; Neumann & Neumann, 1981; Preston & Colman, 2000). Subjects were asked to indicate either the extent to which they agreed or disagreed with each statement or his/her position on semantic differential scales for each statement.

Most brand-specific association effects were measured relative to those of competitors (Aaker, 1996; Broniarczyk & Alba, 1994; Park et al. 1993). **Product quality** and **service quality** were measured using three modified items for each construct (Aaker, 1991, 1996; Oh, 1999) on seven-point scales anchored with *poor-excellent*, *inferior-superior*, and *extremely unfavorable-extremely favorable*. **Brand awareness** was measured with three items anchored with *not very aware of-very aware of*, *not known at all-very well known*, and *never heard of-heard of a lot*. Following related studies, **brand image** was operationalized

into two global measurement items that measured image of extended brands (Oh, 2002; Selnes, 1993).

**Table 2.**  
**Measurement Items**

<b>Constructs</b> (# of items)	<b>Source</b>	<b>Scales</b>
Product / Service Quality (3)	Aaker (1991, 1996) Oh (1999)	Product / service quality relative to competitors: 'poor-excellent, inferior-superior, extremely unfavorable-extremely favorable'
Brand Awareness (3)	Aaker (1991) Keller (1993) Laurent, et al. (1995)	Brand recognition and aided awareness: 'not very aware of-very aware of, not known at all-very well known, never heard of-heard of a lot'
Brand Image (2 & 5)	Oh (2002) Selnes (1993)	Overall, the image of the XYZ is: 'very bad-very good, extremely unfavorable-extremely favorable'
Brand Attitude (4)	Laroche, Kim, & Zhou (1996) McCarthy & Norris (1999) Simonin & Ruth (1998)	Overall evaluations of a brand portfolio (PB) and extended brands (EB): 'Very negative-very positive, dislike very much-like very much, very unfavorable-very favorable, very good-very bad'
Familiarity (2)	Dacin & Smith (1994) Sujan (1985) Bettman & Park (1980)	Familiarity and Knowledge: 'much less familiar/ knowledgeable-much more familiar/ knowledgeable'
Fit (3)	Keller & Aaker (1992) Taylor & Bearden (2002) Loken & Roedder-John (1993) Roedder-John & Loken (1998)	'dissimilar-similar' in terms of product quality, service quality, and brand image

Many empirical studies suggest that global measures of attitudes were better predictors of intentions than multi-attribute measures (e.g., Fazio & Zanna, 1978; Gresham et al., 1984; McAlister & Pessemier, 1982; Reibstein, 1978). Therefore, both **brand attitude** (i.e., brand attitude toward extended brands) and **portfolio attitude** (i.e., brand attitude toward parent brands) were measured with four global items (e.g., Laroche, Kim, & Zhou, 1996; McCarthy & Norris, 1999; Simonin & Ruth, 1998), using seven-point scales anchored with *very negative-very positive*, *dislike very much-like very much*, *very unfavorable-very favorable*, and *very bad-very good*. **Familiarity** was measured with two seven-point scale items that measured level of familiarity and knowledge (*much less familiar/ knowledgeable-much more familiar/ knowledgeable*), consistent with previous research (e.g., Bettman & Park, 1980; Bhat & Reddy, 2001; Dacin & Smith, 1994; Sujan, 1985). Based on related studies (e.g., Aaker & Keller, 1992; Loken & Roedder-John, 1993; Roedder-John & Loken, 1998), **fit** was measured using three items (7-point scales) anchored with *dissimilar-similar* in terms of product quality, service quality, and brand image.

## **Data Collection and Analyses**

A mail survey was used, following the procedures recommended by Dillman (2000). First, a brief ‘prenotice letter’ was sent a few days prior to the delivery of the main questionnaire and provide basic information on the lodging brand portfolio that the respondent would evaluate. Second, the questionnaire was distributed with a postage-paid return envelope and a cover letter that explained the objectives of the study and the importance and confidentiality of the participant’s response. Third, a ‘thank you postcard’ was sent two weeks after sending the questionnaire.

Multiple regression was used to test the proposed conceptual relationships. In addition, moderating effects of familiarity and fit were analyzed by including them as separate independent variables in the regression equations, as described by Cohen and Cohen (1983) and Clearly and Kessler (1982). Prior to the main multiple regression analyses, further consideration was given to mediating effects of product quality and service quality variables. To this end, mediating effects were analyzed based on the sequence that was proposed by Baron and Kenny (1986) and empirically studied by Tam (2000) and Oh (2000, 2002). The sequence used was; 1) regress the mediators on the independent variables, 2) regress the dependent variables on the independent variables, and 3) regress the dependent variables on both the independent variables and mediators. To reduce the effects of multicollinearity, the independent variables were mean-centered (Cronbach, 1987).

## CHAPTER IV. RESULTS

This study was designed to investigate consumers' attitudinal perceptions in the contingency framework that integrated both brand-specific associations and brand portfolio effects in the lodging industry. Based on comments and suggestions from the randomly selected sample in pretest, questionnaires were improved in terms of clarification of wordings and overall format before distributing to a larger study participants. From the 3,725 faculty and staff members at the sample university, 800 were randomly selected from the faculty and staff directory. Of the 800, a total of 247 faculty and staff members participated in this study, thereby yielding a 31 percent response rate. A total of 36 individuals were eliminated from the study for reasons including a wrong address, discontinued employment with the university, obtrusive missing responses, and lack of knowledge about the sample hotel brands.

Approximately 50 percent of the 211 respondents were male and 58.7 percent aged from 36 to 55 with an additional 18.9 percent being 56 years old or older. Thirty two percent reported an annual household income of \$70,000 to \$99,000, with additional 32 percent reporting more than \$100,000. On average, respondents stay 12.8 nights per year (median=10 days) at a hotel, and approximately 9 percent of the respondents have more than 25 hotel nights per year. The general information on the respondents confirmed that although the percentage of females was higher than the typical lodging customer (29 percent for business travelers), the overall sample profile matched closely the general hotel guest profile (American Hotel & Lodging Association, 2002).

Descriptive statistics of the variables appear in Table 3. The response to each statement was converted to a score on a scale ranging from 1 (most negative evaluation) to 7 (most positive evaluation). The mean values ranged from 2.40 for one of the familiarity items to 5.50 for attitude toward one of the parent brand items. The standard deviations ranged from 0.93 to 2.19. Cronbach's alpha of reliability ranged from .89 to .99, indicating that the multiple items for each variable consistently measured the purported construct.

**Table 3.**  
**Item-specific Descriptive Statistics and Reliability**

Item <sup>a</sup>	Mean	SD	Reliability
Product Quality 1	5.16	0.97	0.98
Product Quality 2	5.08	0.97	
Product Quality 3	5.14	1.01	
Service Quality 1	5.05	0.99	0.99
Service Quality 2	5.01	0.99	
Service Quality 3	5.09	1.03	
Awareness 1	5.18	1.88	0.89
Awareness 2	4.68	1.54	
Awareness 3	3.79	1.67	
Brand Image1	5.23	0.98	0.96
Brand Image2	5.16	0.97	
Brand Attitude (EB) 1	5.03	0.93	0.96
Brand Attitude (EB) 2	5.07	0.94	
Brand Attitude (EB) 3	4.94	0.95	
Brand Attitude (EB) 4	5.05	1.00	
Familiarity 1	2.40	1.92	0.96
Familiarity 2	2.63	2.19	
Brand Attitude (PB) 1	5.44	0.96	0.97
Brand Attitude (PB) 2	5.46	0.98	
Brand Attitude (PB) 3	5.47	0.94	
Brand Attitude (PB) 4	5.50	0.99	
Fit 1	4.53	1.13	0.93
Fit 2	4.65	1.18	
Fit 3	4.41	1.26	

a. The scores for all items are summed and the mean is taken to provide an overall score.  
All items were measured on a 7-point scale.



The bi-variate interitem correlations appear in Appendix C. Note that the table contains all the measurement items explained previously. The items measuring the same construct tended to be correlated more highly with each other than with the items measuring different constructs. Table 4 shows the average within- and between-construct correlations among the individual measurement items. This indicates that there is convergence among the items designed to measure the same construct. In addition, measures do not correlate too highly with the measures from which they are supposed to differ. That is, there tends to be distinctiveness of the constructs, demonstrated by the divergence of the items designed to measure different constructs. Therefore, interitem correlations revealed evidence of convergent and discriminant validities (Campbell & Fiske, 1959). Based on these results, the within-construct items were summed for input in subsequent regression analyses.

**Table 4.**  
**Within & Between Construct Correlation Matrix**

	Product Quality	Service Quality	Aware-ness	Brand Image	Brand Attitude (EB)	Famil-iarity	Brand Attitude (PB)	Fit
Product Quality	<b>0.94</b>							
Service Quality	0.76	<b>0.95</b>						
Awareness	0.34	0.29	<b>0.74</b>					
Brand Image	0.69	0.56	0.54	<b>0.94</b>				
Brand Attitude (EB)	0.69	0.58	0.50	0.79	<b>0.87</b>			
Familiarity	0.06	0.13	0.29	0.17	0.17	<b>0.91</b>		
Brand Attitude (PB)	0.29	0.29	0.14	0.30	0.37	0.17	<b>0.91</b>	
Fit	0.36	0.43	0.24	0.37	0.41	0.19	0.14	<b>0.82</b>

Note: Entries in bold fonts are within-construct correlations.

Table 5 shows the correlation matrix of the summed variables. The resulting mean values ranged from 2.52 for familiarity to 5.47 for attitude toward the parent brand, with standard deviations ranged from 0.90 for attitude toward the extended brand to 2.01 for familiarity.

**Table 5.**  
**Correlation Matrix of Summed Variables**

	Product Quality	Service Quality	Aware-ness	Brand Image	Brand Attitude (EB)	Famil-arity	Brand Attitude (PB)	Fit
Product Quality	1.000							
Service Quality	.788 (.00)	1.000						
Awareness	.376 (.00)	.308 (.00)	1.000					
Brand Image	.708 (.00)	.574 (.00)	.610 (.00)	1.000				
Brand Attitude (EB)	.741 (.00)	.616 (.00)	.572 (.00)	.851 (.00)	1.000			
Familiarity	.071 (.33)	.153 (.04)	.335 (.00)	.198 (.01)	.185 (.01)	1.000		
Brand Attitude (PB)	.301 (.00)	.300 (.00)	.151 (.04)	.314 (.00)	.406 (.00)	.177 (.01)	1.000	
Fit	.395 (.00)	.468 (.00)	.288 (.00)	.403 (.00)	.465 (.00)	.220 (.00)	.148 (.04)	1.000
Mean	5.11	5.04	4.55	5.18	5.02	2.52	5.47	4.53
SD	0.96	0.97	1.55	0.95	0.90	2.01	0.93	1.11

Note: Entries in parenthesis are *p* values.

**Table 6.**  
**Analysis of Variance for Brand Purchase Involvement**

Sample Hotels		Care which hotel to stay	Importance of Hotel choice	Concerned about outcome
Embassy Suites	Mean (SD)	5.20 (1.41)	5.22 (1.22)	5.30 (1.33)
Fairfield Inn	Mean (SD)	5.08 (1.53)	5.42 (1.47)	5.63 (1.23)
Hampton Inn	Mean (SD)	5.51 (1.22)	5.62 (1.40)	5.75 (1.27)
Renaissance	Mean (SD)	5.31 (1.22)	5.60 (1.15)	5.43 (1.27)
Total	Mean (SD)	5.28 (1.14)	5.47 (1.33)	5.54 (1.28)
ANOVA Results	F (Sig.)	1.05 (0.37)	0.98 (0.40)	1.31 (0.27)

Since this study is based on four different hotel brands, it included three measurement items for brand purchase involvement to check the level of response involvement (Table 6). The mean values of the items ranged from 5.28 (SD = 1.41) for ‘to what extent would you care as to which hotel you stay?’ to 5.54 (SD=1.28) for ‘how concerned would you be about the outcome of your choice?’ Cronbach’s alpha reliability coefficients for the three items in this study (0.90) also suggest that the three involvement items consistently measured the involvement construct. ANOVA analysis indicated no significant differences in brand purchase involvement for the four different hotel brands used in this study, indicating that use of the four hotel brands caused no difference in purchase involvement.

Table 7 shows the results of regression analyses. First, consideration was given to the effects of product and service quality, mediated by brand image, on attitudes toward a brand extension (see Models 1 and 2 in Table 7). Results showed that product quality has both direct and indirect effects on brand attitude toward the extended brands. Product quality appeared to possess a stronger explanatory power for brand image (Model 1 -  $R^2 = .472$ ) than attitude toward extended brand (model 2 -  $R^2 = .519$ ). In addition, brand image mediated, to

some degree, the effect of product quality on attitude toward extended brands; the standardized coefficient of product quality in Model 2 (.65) was much higher than that in Model 3 (.24), indicating that the effect of product quality was somewhat mediated by brand image toward extension brand attitude. On the other hand, service quality was not significant ( $p > .05$ ) in all three regression equations (Models 1, 2, and 3), signifying that it did not affect both brand image and brand attitude toward the extended brand.

Models 4 and 5 (Table 7) present the results of regression analyses as well as contingency effects modeled as interaction terms to examine changes in the explained variance between the two models. The regression results of Model 4 showed that product quality, brand image, and attitude toward the parent brand possessed a significant explanatory power for attitude toward the extended brand ( $R^2 = .765$ ). Different from what was expected, the effect of service quality was not significant. All significant variables showed a positive sign supporting the proposed hypotheses. Among the significant variables, a standardized regression coefficient of brand image (0.54) was the highest, followed by product quality (0.24).

A comparison of the standardized regression coefficients for product quality in Model 1 (Table 7) indicates that a substantial amount of variance in product quality was mediated by brand image toward the extended brand attitude. The regression results in Model 5 ( $R^2 = 0.790$ ) further indicate that the both interaction variables were statistically significant and accounted for additional variance in extension brand attitude. These results also support Hypotheses 6 and 7.

**Table 7.**  
**Regression Analysis Results**

<b>Model <sup>b</sup></b>	<b>Unstandardized Estimate (B)</b>	<b>Standard Error</b>	<b>Standard Estimate</b>	<b>t-Value</b>	<b>VIF <sup>c</sup></b>
<b>Model 1 (Dependent variable = Brand Image)</b>					
Product Quality	.63	.08	.63	7.86*	2.55
Service Quality	.07	.08	.07	0.84	2.55
<i>R<sup>2</sup> (adjusted R<sup>2</sup>) = .472 (.467)<sup>a</sup></i>					
<b>Model 2 (Brand Attitude Extended Brand)</b>					
Product Quality	.62	.07	.65	8.48*	2.55
Service Quality	.08	.07	.09	1.12	2.55
<i>R<sup>2</sup> (adjusted R<sup>2</sup>) = .519 (.515)<sup>a</sup></i>					
<b>Model 3 (Brand Attitude EB)</b>					
Product Quality	.23	.06	.24	3.76*	3.31
Service Quality	.04	.05	.04	0.75	2.56
Brand Image	.62	.05	.65	13.25*	1.89
<i>R<sup>2</sup> (adjusted R<sup>2</sup>) = .740 (.736)<sup>a</sup></i>					
<b>Model 4 (Brand Attitude EB)</b>					
Product Quality	.23	.06	.24	3.96*	3.32
Service Quality	.02	.05	.02	0.44	2.59
Awareness	.07	.02	.12	2.94**	1.54
Brand Image	.52	.05	.54	9.95*	2.59
Brand Attitude (PB)	.13	.04	.14	3.76*	1.13
<i>R<sup>2</sup> (adjusted R<sup>2</sup>) = .765 (.760)<sup>a</sup></i>					
<b>Model 5 (Brand Attitude EB)</b>					
Product Quality	.22	.06	.23	3.76*	3.58
Service Quality	-.03	.05	-.03	-0.58	2.83
Awareness	.06	.02	.11	2.60**	1.69
Brand Image	.50	.05	.51	9.62*	2.72
Brand Attitude (PB)	.11	.03	.12	3.30*	1.19
Fit	.12	.03	.14	3.73*	1.38
Familiarity	-.01	.02	-.02	-0.59	1.25
Fit x PB	.07	.03	.09	2.62**	1.18
Familiarity x PB	.03	.02	.08	2.27**	1.21
<i>R<sup>2</sup> (adjusted R<sup>2</sup>) = .790 (.781)<sup>a</sup> / R<sup>2</sup> Change = .025<sup>a</sup></i>					

a. F &lt; .01.

b. Dependent Variables in parentheses.

c. Variance inflation factor

\* p &lt; .01. \*\*p &lt; .05.

As shown in Model 5, however, the main effect of familiarity was not significant; only its interaction term appeared to be significant. Such results indicate that familiarity with the parent brand may simply play a role of an intervening condition rather than being generically related to the extension brand attitude (Sharma, Durand, & Gur-Arie, 1981). It interacts with brand attitude toward the parent brand and modifies the form of the relationship between attitude toward the parent brand and its extended brands. That is the positive effects of attitude toward the parent brand on attitude toward its extended brands increases as the familiarity of connection between the parent brand and extended brands increases. Therefore, Hypothesis 6 is supported.

Brand fit is also found to relate to extension brand attitude and moderate the effects of parent brand attitude toward extension brand attitude. That is, the positive relationship between parent and extension brand attitudes are intensified as the fit between the parent and extension brands increases, which supports Hypothesis 7. However, different from the familiarity variable, fit not only interacts with the attitude toward a parent brand but is identified as a predictor variable itself. Thus, both the main and interaction effects of brand fit exist. The standardized regression coefficients for fit in Model 5 indicate that the main effect (.14) is slightly stronger than the moderator effect (.09).

## CHAPTER V. DISCUSSION AND IMPLICATIONS

### Discussion

This research examined consumers' evaluations of brand portfolios in the lodging industry by considering the effects of both brand-specific associations and brand portfolio on attitude toward extended brands. Results of this study showed the important role of brand-specific associations (i.e., product and service quality, brand image, brand awareness) and brand portfolio effects (i.e., brand attitude toward the parent brand, familiarity, fit) in consumer evaluations of extended brands. The conceptual relationships proposed and tested in this study seem to possess predictive validity for understanding lodging customers' attitude formation process for extended brands. These findings suggest, in general, that both brand-specific associations and brand portfolios play an important role in consumer evaluations of extended brands; that is, consumers' perceptions of extended brands are influenced by evaluations of both brand-specific associations and attitudes transferable from the brand portfolio to its individual brands.

In summary, this study expands on what has been previously reported in the branding literature. Specifically, the findings of this study suggest that: (1) consumers' attitude toward extended brands is influenced by both brand-specific associations and brand portfolio effects; (2) brand image is the variable that should be seriously considered in developing marketing strategies for brand portfolios; (3) brand fit plays a significant role in the portfolio evaluation process; and (4) both fit and familiarity moderate attitude transferability between a brand portfolio and its extended brands.

**Table 8.**  
**Hypothesis Test Results**

<b>Research Hypotheses</b>		<b>Result</b>
H1:	Product quality is positively related to brand image.	Supported
H2:	Service quality is positively related to brand image.	Not Supported
H3:	Brand image is positively related to brand attitude.	Supported
H4:	Brand awareness is positively related to brand attitude.	Supported
H5:	Attitude toward a brand portfolio is positively related to attitude toward its extended brands.	Supported
H6:	The positive effect of attitude toward a brand portfolio on attitude toward its extended brands increases as familiarity with the relationship between the brand portfolio and its extended brand increases.	Supported
H7:	The positive effects of attitude toward brand portfolio on attitude toward its extended brands increase as the fit among the brands in the portfolio increases.	Supported

Table 8 summarizes the hypotheses and test results. In addition to generally high reliability alphas and strong evidence of convergent and discriminant validities of each construct, the model exhibits a substantial explanatory power as indicated by the amount of variance explained for extended brand attitude.

Results indicate that both brand-specific associations and brand portfolio effects are important in understanding consumers' attitude formation toward extended brands. For brand-specific associations, product quality, awareness, and brand image were significantly related to consumer attitude toward extended brands. Among the examined brand-specific variables, brand image appeared to exert the strongest positive influence on brand attitude. Lafferty and Goldsmith (1999) insist that consumers incorporate brand image information into their brand evaluation and purchase decision-making process. Consistent with previous



research (e.g., Aaker & Keller, 1990; Baker & Parasuraman, 1994; Fombrun, 1996), brand image seems to be an important variable in evaluating attitude toward extended brands. This result also parallels with the findings reported by Dube and Renaghan (2000), Kandampully and Suhartanto (2003), and Oh (2000, 2002), supporting further importance of brand image in lodging consumers' decision making process.

Prior studies reveal that brand image provides a good indication of a brand's performance (Fombrun & van Riel, 1997; Herbig & Milewicz, 1993) and a foundation for differentiating and positioning a product as well as creating positive attitudes toward a brand (Aaker, 1991; Park et al., 1986). In other words, brand image function as self-schema and can be used as an extrinsic cue in a purchase decision. Thus, the strong presence of brand image tends to simplify consumers' decision making process through its positive influence on purchase intentions (e.g., Fombrun, 1996; Markus, 1977). Brand image in this study, indeed, resulted in the strongest regression weight among the brand-specific variables (i.e., product and service quality, awareness, and brand image). More attention should be given to brand image that has been relatively neglected in branding research.

Product quality also had a positive impact, both directly and indirectly through brand image, on consumer attitudes toward extended brands. It is important to further investigate the product quality construct in the context of brand portfolios since consumers transfer quality perceptions from one brand to another (e.g., Ahluwalia & Gürhan-Canli, 2000; Erdem & Swait, 1998; Montgomery & Wernerfelt, 1992; Sunde & Bordie, 1993). That is, experiences with any of the products that share the same brand name affect quality perceptions for others; experiences with one hotel brand may influence not only the quality

perception of that particular brand but also all hotel brands that the company owns in its portfolio. More attention is needed on the quality construct and its measurement because quality is a multidimensional construct that consumers could evaluate in various dimensions. While product quality directly impacts brand attitude toward extended brands, this impact is partially mediated by brand image. Brand image mediated quality perceptions when evaluating brand attitude toward extended brands, indicating the importance of incorporating the brand image construct into the same framework. Notable therefore is the mediating role of brand image in consumers' brand attitude formation.

Service quality did not impact either brand image or brand attitude toward extended brands. This finding is somewhat contradictory to prior studies, which revealed that both service and product quality enhanced a brand image (e.g., Nguyen & LeBlanc, 1998; Selnes, 1993; Sweeney, Soutar, & Johnson, 1999). The correlation matrix of the variables (Table 5) showed a strong correlation (.79) between service and product quality measurement items. It seems that a large proportion of the variance in service quality is accounted for by product quality. That is, although the variance inflation factors in regression models did not indicate any sign of multicollinearity, a portion of systematic variance seems to be shared between those two quality variables.

Consumer attitude toward the parent brand was found to exert a significant positive influence on consumer attitude toward extended brands. Building on previous studies, the brand portfolio in this research was conceptualized as a category or schema and the brands that share the same or part of the same brand name. Categorization theory supports the transferability of the effect associated with a category to a newly encountered member (e.g.,

Cohen, 1982; Fiske & Neuberg, 1990). The results of this study indicated that consumers' favorable evaluations of the parent brand are important to subsequent evaluations of its extended brands. This finding is consistent with that of previous studies (e.g., Aaker & Keller, 1990; Lane & Jacobsen, 1997) in that consumers generally favored brands that are introduced as a member of a well-liked parent brand. It seems that a favorable attitude toward the brand portfolio is critical for positioning extended brands of the portfolio.

The importance of viewing brand portfolios as a category or schema is further supported by the introduction of moderating variables (i.e., familiarity and fit) that were incorporated into the research framework in this study. Results demonstrated a moderating role of fit and familiarity in the process of attitude transfer from a parent brand to its extended brands. Results supported that brand familiarity and perceived fit moderate attitude transferability from the parent brand (i.e., a brand portfolio) to its extended brands.

Consumers who are highly familiar with the relationship between the parent and extended brands seem to categorize information more effectively than those who are less familiar. These findings, taken together with those of prior research (e.g., Bettman & Sujan, 1987; Park & Lessig, 1981; Simonin & Ruth, 1998), indicate the important moderating role of familiarity in the attitude formation of extended brands. Consumers develop a better knowledge structure or schema about the product that facilitates acquiring new information as well as using existing information as they become more familiar with the product. That is, attitude transferability from the parent brand to its extended brands seems to be stronger for the consumers who are familiar with the relationship between the brand portfolio and its extended brands. In comparison, the existing network of associations seem to relatively weak when consumers are not familiar with the relationship between the parent brand and its

extended brands. Hence, attitude transferability from a brand portfolio to its extended brands becomes weak as well.

Results also indicated that the transfer of a positive attitude from the parent brand to its extended brands was facilitated by how well the extended brand was perceived to represent the parent brand. This reveals that the effect of brand portfolio attitude on extended brand attitude varies with respect to the level of fit. Prior studies suggest that brand name serves as the category label or brand schema, and similarity between the parent brand and its extension facilitate evaluating multi-brand products. Results of this study suggested that consumers' evaluations of brand extensions vary systematically as a function of the fit between the parent and extended brands. That is, the level of perceived fit between the extension and the parent brand facilitates the degree of attitude transferability from a parent brand to its extensions. Results indicated that the attitude transferability were stronger when the brand portfolio and extended brand are perceived to be consistent and similar. In contrast, a lower level of fit limited the attitude transferability.

Fit was identified not only as the variable that moderates the positive effects of attitude toward a parent brand on attitude toward its extended brand but also as a predictor of extended brand attitude. This suggests that attitude transferability depends on the level of perceived similarity between two brands and that fit also directly impacted brand attitude toward the extended brand. Thus, consumers' evaluation of extended brands can be facilitated by exclusively from how well the extended brands meet the criteria for membership in the brand portfolio. Findings of this study related to fit indicate a need to further explore the role of brand fit in the multi-brand context.

## **Implications**

### **Managerial implications**

Results of this study provide several practical implications. The trend of forming and expanding brand portfolios is expected to continue, impacting the fundamental structure of the lodging industry (Cline, 2002; Haussman, 2001, 2002; Koonce, 1998; Nardoza, 1998). Furthermore, frequent brand switching and dilution in brand loyalty are one of the most pressing challenges for the lodging industry. Brand positioning from a consumer perspective is emphasized because, eventually, purchase decisions come from customers' perceptions of the brand. In order to maximize profits from the firm's entire portfolio of products, management needs to clearly understand how consumers perceive its brand portfolio. A contemporary focus of brand portfolio management is "on trying to get the most from existing brands through better organizing and managing brands and brand inter-relationships within the existing portfolio" (Petromilli, Morison, & Million, 2002: p.22).

Among the brand-specific associations, brand image has the strongest effect on consumer attitude toward extended brands followed by product quality and brand awareness. This result encourages lodging firms to achieve a competitive advantage by establishing a good brand image. The role of image becomes even more significant in the service industry when competing services are perceived as practically identical on functional product attributes (Grönroos, 1984). With fragile customer loyalty and fast shifting market preferences, lodging managers should recognize the cumulative effects of a favorable brand image on performances. It is important for lodging managers to allocate the firm's marketing mix activities to achieve a positional advantage through brand image in the market place.

Results of the current study indicated that holistic management strategy is critical in managing lodging brand portfolios. Although many lodging companies have marketed their individual brands separately, commensurate investments have been absent for holistic brand portfolio management. Results of this study revealed that consumers' perceptions of a brand portfolio were found to affect how they perceived its extended brands. While several hotel companies use individual brand names in their portfolios (e.g., Renaissance Hotel and Resort by Marriott International and Hampton Inn by Hilton Hotel Corporation), many companies still use joint promotion strategies to improve marketing efficiency among member brands. It is especially true in the case of online marketing to generate bookings for member hotels and brands (Jeong, Oh, & Gregoire, 2003). Managers should pay more attention to enhance consumers' evaluations toward brand portfolios because of the positive effects on its individual brands.

In addition to a favorable evaluation of brand portfolios, it is critical to understand the attributes that influence the synergies that subsist among extended brands in a portfolio. This is because individual brands within a portfolio become far more powerful when they are interrelated. Results of this study revealed that similarity and consistency between a brand portfolio and its extended brands (i.e., fit) enhance the attitude transferability as well as attitude formation of extended brands. In addition, the attitude transferability between brand portfolio and extended brands increased as familiarity with the relationship between the brand portfolio and its extended brands increases. Marketers should consider fit and familiarity between individual brands and brand portfolio when marketing lodging brand portfolio and develop a mechanism that can systematically provide an effective bond between individual brands and a brand portfolio.

### **Limitations and suggestions for future research**

Some limitations of this study caution for interpretation and generalization of the findings to all lodging brand portfolios. First, the proposed model should receive more rigorous tests through replications with different lodging products and services. This study focused on four lodging brands belonging to two brand portfolios that had extended their products into various market segments. Therefore, results of this study have some limited generalizability in that only several hotels and lodging companies were studied. In addition, this study focused only on a single product category (i.e., lodging). Many companies are forming brand portfolios across product categories both within the lodging industry (e.g., extended stay, timeshare, and corporate housing) and across various products and industries (e.g., rental car, foodservice, and senior living facilities). Further efforts are needed to evaluate the model's applicability across various market situations, products, and industries.

Second, some methodological problems are inherent as this study was correlational with a convenience sample. Although the proposed model was built based on a careful review of literature and with theoretical justifications, the cross-sectional data limit strong causal inferences. Longitudinal field research is likely to overcome the design-related limitations of this study. In addition, even though data were comprehensive potentially covering a variety of brand portfolio evaluations, the sampling frame was narrow (i.e., faculty and staff members) and may limit applicability and generalizability to other consumer segments.

Third, the consumer attitude formation process seems to be crucial to lodging brand portfolio management. In particular, the concepts of brand image, product quality, and brand

attitude toward the parent brand need to receive further attention. In addition, the attitude transferability and the moderating role of fit and brand familiarity between parent brands and extended brands is also worthy of further investigation as it has not been widely reported in the hospitality branding literature.

Fourth, more rigorous measurements of each variable with well-operationalized multiple items are needed in future examinations. Brand image and brand attitude toward extended brands were highly correlated, even though the relationship was less than 90 percent and had no multicollinearity problem. Aaker (1996) and Keller (1993) insist that multi-dimensional constructs of brand associations, such as brand image and brand attitude, are very similar to each other. Brand image is a holistic construct based on stored experience and emotional perceptions consumers attach to specific brands. It is conceptually different from brand attitude that represents overall affect toward a brand. Future research may consider evaluating brand image specific to the product and/or brand category, such as with self-concepts, person concepts, and/or personality characteristics.

Although perceptions of the brand portfolio significantly influenced brand attitude toward its extended brands, the strength of the relationship was not as substantial as expected. One possible explanation for this result is that this study focused on consumers' perceptions of brand portfolios. As subjects, in general, had low familiarity with the relationship between the parent brand and its extended brands, they might have evaluated the brands based on their initial perceptions rather than based on their accumulated knowledge. The low familiarity might have weakened attitude transferability from the portfolio to extended brands. Such information could be resourcefully acquired during the information search

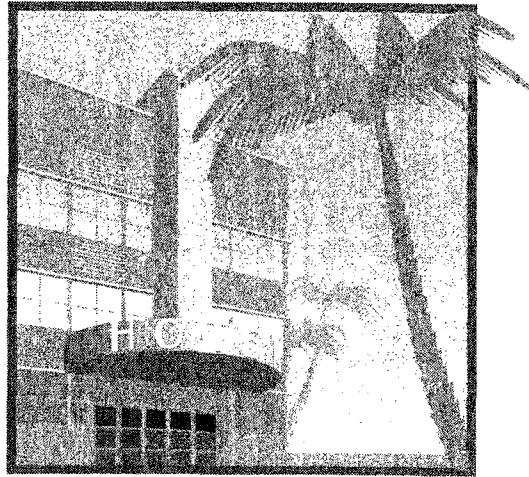


process in actual purchase situations. Future research should examine the attitude transferability from a parent brand to extended brands in different stages of the consumer problem-solving process.

Finally, the proposed model in this study should be regarded as a starting point toward a fuller integration of the effects of brand-specific associations and brand portfolios into an attitude formation framework. The model incorporated only key constructs based on source theories in an attempt to provide initial evidence that could stimulate further research in this direction. This study did not include other potentially influential factors such as the brand breadth and the number of brands affiliated (Bousch & Loken, 1991; Dacin & Smith, 1994; Dawar, 1996), specific dimensions of extension fit (e.g., Broniarczyk & Alba, 1994; Schmitt & Dube, 1992), and types of branding strategies such as vertical and/or horizontal extensions, and individual branding and/or sub-branding (e.g., Janiszewski & Van Osselaer, 2000; Kim, Lavack, & Smith, 2001; McCarthy, Heath, & Milberg, 2001). Additional consideration may be given to sequential introductions of brand extension, effects of extended brands on parent brands, advertising and market share implications of extension strategies, and market growth opportunities (e.g., Dawer & Anderson, 1994; Lane, 2000; Rangaswamy, Burke, & Oliver, 1993; Sullivan, 1992).

**APPENDIX A:**  
**SURVEY INSTRUMENTS**

## Consumer Evaluation of Hotel Brands



Dear Study Participant:

We are conducting this research to understand how consumers evaluate hotel brands in general. **Your response is very important** and will help lodging companies develop suitable brands that can better serve consumers like you. It will take approximately 8 to 10 minutes to complete. Your participation is voluntary and all responses will remain confidential. Please return your completed questionnaire through **campus mail (1055 LeBaron)** by placing the enclosed return address label on the envelope. Thank you very much for your help. If you have any questions regarding this survey, please feel free to contact David Joon-Wuk Kwun.

Sincerely,

DAVID JOON-WUK KWUN

Ph.D. Candidate  
PH: 515-294-4636  
EM: jwkwun@iastate.edu

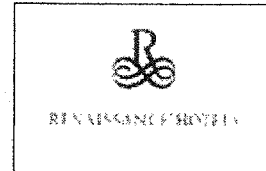
HAEMOON OH, PH.D.

Major Advisor  
PH: 515-294-7409  
EM: hmoh@iastate.edu

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY  
Foodservice and Lodging Management Program / 1055 LeBaron Hall

**INSTRUCTION:**

Please read the following questions and circle the appropriate number in the scale for each question that best indicates **your perceptions** of the brand '**Renaissance Hotels and Resorts**' (hereafter the 'Renaissance Hotel'). Whether or not you have ever stayed in the Renaissance Hotel, we are very interested in your perceptions.



Please answer the following questions regarding your expectations of **product quality** and **service quality** of the Renaissance Hotel.

1. Compared to that of other hotel brands, the **product quality** (e.g., interior and exterior physical features) of the Renaissance Hotel is expected to be:

Poor	.....	1	2	3	4	5	6	7	.....	Excellent
Inferior	.....	1	2	3	4	5	6	7	.....	Superior
Of very low quality	.....	1	2	3	4	5	6	7	.....	Of very high quality

2. Compared to that of other hotel brands, the Renaissance Hotel's **service quality** (e.g., personal service, check in/out, room service) is expected to be:

Poor	.....	1	2	3	4	5	6	7	.....	Excellent
Inferior	.....	1	2	3	4	5	6	7	.....	Superior
Of very low quality	.....	1	2	3	4	5	6	7	.....	Of very high quality

Please respond to each statement with reference to the **Renaissance Hotel**.

	Strongly Disagree							Strongly Agree						
1. I am highly aware of the Renaissance Hotel as a hotel brand.	1	2	3	4	5	6	7							
2. The Renaissance Hotel is highly recognized.	1	2	3	4	5	6	7							
3. I have heard a lot about the Renaissance Hotel.	1	2	3	4	5	6	7							
4. The Renaissance Hotel has a good reputation.	1	2	3	4	5	6	7							
5. In general, I expect that the Renaissance Hotel fulfills promises made to its customers.	1	2	3	4	5	6	7							
6. My overall image of the Renaissance Hotel is positive.	1	2	3	4	5	6	7							
7. I think the Renaissance Hotel has a positive image among my colleagues and friends.	1	2	3	4	5	6	7							

8. Overall, the **image** of the Renaissance Hotel is:

Very bad	.....	1	2	3	4	5	6	7	.....	Very good
Extremely <u>un</u> favorable	.....	1	2	3	4	5	6	7	.....	Extremely favorable

9. As a hotel brand, the Renaissance Hotel is:

Extremely <u>dis</u> pleasing	.....	1	2	3	4	5	6	7	.....	Extremely pleasing
Extremely <u>not</u> likeable	.....	1	2	3	4	5	6	7	.....	Extremely likeable
Extremely <u>un</u> enjoyable	.....	1	2	3	4	5	6	7	.....	Extremely enjoyable
Extremely <u>un</u> attractive	.....	1	2	3	4	5	6	7	.....	Extremely attractive

---

Please respond to each statement related to  
the **Renaissance Hotel** and **Marriott International**.

---

1. How knowledgeable are you about the relationship between the Renaissance Hotel and Marriott International?

<u>Not</u> at all knowledgeable	.....	1	2	3	4	5	6	7	.....	Very knowledgeable
---------------------------------	-------	---	---	---	---	---	---	---	-------	--------------------

2. How familiar are you that the Renaissance Hotel is one of the hotel brands that Marriott International owns?

<u>Not</u> at all familiar	.....	1	2	3	4	5	6	7	.....	Very familiar
----------------------------	-------	---	---	---	---	---	---	---	-------	---------------

3. How knowledgeable are you about Marriott International and its hotel brands?

<u>Not</u> at all knowledgeable	.....	1	2	3	4	5	6	7	.....	Very knowledgeable
---------------------------------	-------	---	---	---	---	---	---	---	-------	--------------------

4. Overall, how familiar are you with Marriott International and its hotel brands?

<u>Not</u> at all familiar	.....	1	2	3	4	5	6	7	.....	Very familiar
----------------------------	-------	---	---	---	---	---	---	---	-------	---------------

5. As a hotel company, Marriott International is:

Extremely <u>dis</u> pleasing	.....	1	2	3	4	5	6	7	.....	Extremely pleasing
Extremely <u>not</u> likeable	.....	1	2	3	4	5	6	7	.....	Extremely likeable
Extremely <u>un</u> enjoyable	.....	1	2	3	4	5	6	7	.....	Extremely enjoyable
Extremely <u>un</u> attractive	.....	1	2	3	4	5	6	7	.....	Extremely attractive

6. **Marriott International** owns the Renaissance Hotel as well as the following hotel brands.  
At which of the following hotel(s) have you stayed before? (please check all that apply)

\_\_\_\_\_ Ritz Carlton

\_\_\_\_\_ Fairfield Inn

\_\_\_\_\_ Marriott Hotels, Resorts, & Suites

\_\_\_\_\_ Residence Inn

\_\_\_\_\_ Renaissance Hotels and Resorts

\_\_\_\_\_ Ramada International

\_\_\_\_\_ Courtyard

\_\_\_\_\_ Spring Hill Suites

7. How similar do you think the Renaissance Hotel is to Marriott International?

Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

8. In your opinion, how consistent do you think the Renaissance Hotel is to Marriott International?

Very inconsistent ..... 1 2 3 4 5 6 7 ..... Very consistent

9. How typical do you perceive the image of the Renaissance Hotel is to that of Marriott International?

Very atypical ..... 1 2 3 4 5 6 7 ..... Very typical

10. How well does the Renaissance Hotel represent Marriott International?

Very unrepresentative ..... 1 2 3 4 5 6 7 ..... Very representative

11. Overall, how similar do you believe the Renaissance Hotel is to Marriott International in terms of the **product quality**, **service quality**, and **brand image**?

**Product Quality:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

**Service Quality:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

**Brand Image:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

12. How would you classify the Renaissance Hotel?

Very low class ..... 1 2 3 4 5 6 7 ..... Very high class

13. Overall, Marriott International is:

Very low class ..... 1 2 3 4 5 6 7 ..... Very high class

14. How many times have you ever stayed at the 'Renaissance Hotel'?

\_\_\_\_\_ 0 \_\_\_\_\_ 1-3 \_\_\_\_\_ 4-7 \_\_\_\_\_ > 8

15. Do you ask for recommendations from your colleagues and friends about where to stay when you are visiting a new town/city?

\_\_\_\_\_ Yes \_\_\_\_\_ No

16. If you received any **negative** comments or views about the Renaissance Hotel from your colleagues and friends, to what extent would you believe those?

Not at all ..... 1 2 3 4 5 6 7 ..... To a great extent

17. How would such negative comments or views influence your decision to stay at the Renaissance Hotel?

No influence ..... 1 2 3 4 5 6 7 ..... Influence a lot

18. Considering the fact that **Marriott International** owns the Renaissance hotel as well as the other hotel brands as shown above, how would you evaluate the Renaissance hotel as a hotel brand?

Extremely displeasing ..... 1 2 3 4 5 6 7 ..... Extremely pleasing

Extremely not likeable ..... 1 2 3 4 5 6 7 ..... Extremely likeable

Extremely unenjoyable ..... 1 2 3 4 5 6 7 ..... Extremely enjoyable

Extremely unattractive ..... 1 2 3 4 5 6 7 ..... Extremely attractive

---

This section is about you. Your responses will be kept completely confidential.

---

1. In selecting from many types and brands of hotels available in the market, to what extent would you care as to which hotel you stay?  
Not care at all ..... 1   2   3   4   5   6   7 ..... Care a great deal
2. How important would it be to you to make a right choice of hotel?  
Not at all important ..... 1   2   3   4   5   6   7 ..... Very important
3. In making your selection of hotels, how concerned would you be about the outcome of your choice?  
Not at all concerned ..... 1   2   3   4   5   6   7 ..... Very much concerned
4. What is your favorite hotel when you are (1) at work? \_\_\_\_\_  
 (2) on vacation? \_\_\_\_\_
5. Gender:                      \_\_\_\_\_ Male        \_\_\_\_\_ Female
6. On average, how many day(s) do you stay in a hotel per year? \_\_\_\_\_ day(s) per year
7. Annual household income? \_\_\_\_\_ Less than \$40,000                      \_\_\_\_\_ \$70,000 – \$99,999  
    \_\_\_\_\_ \$40,000 - \$69,999                      \_\_\_\_\_ \$100,000 or more
8. What is your age range?        \_\_\_\_\_ 18-25                      \_\_\_\_\_ 36-55  
    \_\_\_\_\_ 26-35                      \_\_\_\_\_ 56 and above

---

**THANK YOU VERY MUCH FOR YOUR COOPERATION!**  
**PLEASE RETURN THE QUESTIONNAIRE TO US AS SOON AS POSSIBLE.**

---

## Consumer Evaluation of Hotel Brands



Dear Study Participant:

We are conducting this research to understand how consumers evaluate hotel brands in general. **Your response is very important** and will help lodging companies develop suitable brands that can better serve consumers like you. It will take approximately 8 to 10 minutes to complete. Your participation is voluntary and all responses will remain confidential. Please return your completed questionnaire through **campus mail (1055 LeBaron)** by placing the enclosed return address label on the envelope. Thank you very much for your help. If you have any questions regarding this survey, please feel free to contact David Joon-Wuk Kwun.

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**INSTRUCTION:**

Please read the following questions and circle the appropriate number in the scale for each question that best indicates **your perceptions** of the brand '**Hampton Inn**'. Whether or not you have ever stayed in the Hampton Inn, we are very interested in your perceptions.



Please answer the following questions regarding your expectations of  
**product quality** and **service quality** of the Hampton Inn.

3. Compared to that of other hotel brands, the **product quality** (e.g., interior and exterior physical features) of the Hampton Inn is expected to be:

Poor	.....	1	2	3	4	5	6	7	.....	Excellent
Inferior	.....	1	2	3	4	5	6	7	.....	Superior
Of very low quality	.....	1	2	3	4	5	6	7	.....	Of very high quality

4. Compared to that of other hotel brands, the Hampton Inn' **service quality** (e.g., personal service, check in/out, room service) is expected to be:

Poor	.....	1	2	3	4	5	6	7	.....	Excellent
Inferior	.....	1	2	3	4	5	6	7	.....	Superior
Of very low quality	.....	1	2	3	4	5	6	7	.....	Of very high quality

Please respond to each statement with reference to the **Hampton Inn**.

	<u>Strongly Disagree</u>							<u>Strongly Agree</u>						
10. I am highly aware of the Hampton Inn as a hotel brand.	1	2	3	4	5	6	7							
11. The Hampton Inn is highly recognized.	1	2	3	4	5	6	7							
12. I have heard a lot about the Hampton Inn.	1	2	3	4	5	6	7							
13. The Hampton Inn has a good reputation.	1	2	3	4	5	6	7							
14. In general, I expect that the Hampton Inn fulfills promises made to its customers.	1	2	3	4	5	6	7							
15. My overall image of the Hampton Inn is positive.	1	2	3	4	5	6	7							
16. I think the Hampton Inn has a positive image among my colleagues and friends.	1	2	3	4	5	6	7							

17. Overall, the **image** of the Hampton Inn is:

Very bad	.....	1	2	3	4	5	6	7	.....	Very good
Extremely <u>un</u> favorable	.....	1	2	3	4	5	6	7	.....	Extremely favorable

18. As a hotel brand, the Hampton Inn is:

Extremely <u>dis</u> pleasing	.....	1	2	3	4	5	6	7	.....	Extremely pleasing
Extremely <u>not</u> likeable	.....	1	2	3	4	5	6	7	.....	Extremely likeable
Extremely <u>un</u> enjoyable	.....	1	2	3	4	5	6	7	.....	Extremely enjoyable
Extremely <u>un</u> attractive	.....	1	2	3	4	5	6	7	.....	Extremely attractive

---

Please respond to each statement related to  
the **Hampton Inn** and **Hilton Hotel Corporation**.

---

19. How knowledgeable are you about the relationship between the Hampton Inn and Hilton Hotel Corporation?

Not at all knowledgeable ..... 1 2 3 4 5 6 7 ..... Very knowledgeable

20. How familiar are you that the Hampton Inn is one of the hotel brands that Hilton Hotel Corporation owns?

Not at all familiar ..... 1 2 3 4 5 6 7 ..... Very familiar

21. How knowledgeable are you about Hilton Hotel Corporation and its hotel brands?

Not at all knowledgeable ..... 1 2 3 4 5 6 7 ..... Very knowledgeable

22. Overall, how familiar are you with Hilton Hotel Corporation and its hotel brands?

Not at all familiar ..... 1 2 3 4 5 6 7 ..... Very familiar

23. As a hotel company, Hilton Hotel Corporation is:

Extremely <u>dis</u> pleasing	.....	1	2	3	4	5	6	7	.....	Extremely pleasing
Extremely <u>not</u> likeable	.....	1	2	3	4	5	6	7	.....	Extremely likeable
Extremely <u>un</u> enjoyable	.....	1	2	3	4	5	6	7	.....	Extremely enjoyable
Extremely <u>un</u> attractive	.....	1	2	3	4	5	6	7	.....	Extremely attractive

24. **Hilton Hotel Corporation** owns the Hampton Inn as well as the following hotel brands.

At which of the following hotel(s) have you stayed before? (please check all that apply)

<input type="checkbox"/> Hampton Inn	<input type="checkbox"/> Hilton Garden Inn
<input type="checkbox"/> Hilton Hotel	<input type="checkbox"/> Homewood Suites by Hilton
<input type="checkbox"/> Doubletree Guest Suites & Hotels	<input type="checkbox"/> Red Lion Hotels & Inn
<input type="checkbox"/> Embassy Suite	<input type="checkbox"/> Conrad International Hotel

25. How similar do you think the Hampton Inn is to Hilton Hotel Corporation?

Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

26. In your opinion, how consistent do you think the Hampton Inn is to Hilton Hotel Corporation?

Very inconsistent ..... 1 2 3 4 5 6 7 ..... Very consistent

27. How typical do you perceive the image of the Hampton Inn is to that of Hilton Hotel Corporation?

Very atypical ..... 1 2 3 4 5 6 7 ..... Very typical

28. How well does the Hampton Inn represent Hilton Hotel Corporation?

Very unrepresentative ..... 1 2 3 4 5 6 7 ..... Very representative

29. Overall, how similar do you believe the Hampton Inn is to Hilton Hotel Corporation in terms of the **product quality, service quality, and brand image**?

**Product Quality:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

**Service Quality:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

**Brand Image:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

30. How would you classify the Hampton Inn?

Very low class ..... 1 2 3 4 5 6 7 ..... Very high class

31. Overall, Hilton Hotel Corporation is:

Very low class ..... 1 2 3 4 5 6 7 ..... Very high class

32. How many times have you ever stayed at the 'Hampton Inn'?

\_\_\_\_\_ 0 \_\_\_\_\_ 1-3 \_\_\_\_\_ 4-7 \_\_\_\_\_ > 8

33. Do you ask for recommendations from your colleagues and friends about where to stay when you are visiting a new town/city?	_____ Yes _____ No
--	--------------------

34. If you received any **negative** comments or views about the Hampton Inn from your colleagues and friends, to what extent would you believe those?

Not at all ..... 1 2 3 4 5 6 7 ..... To a great extent

35. How would such negative comments or views influence your decision to stay at the Hampton Inn?

No influence ..... 1 2 3 4 5 6 7 ..... Influence a lot

36. Considering the fact that **Hilton Hotel Corporation** owns the Hampton Inn as well as the other hotel brands as shown above, how would you evaluate the Hampton Inn as a hotel brand?

Extremely displeasing ..... 1 2 3 4 5 6 7 ..... Extremely pleasing

Extremely not likeable ..... 1 2 3 4 5 6 7 ..... Extremely likeable

Extremely unenjoyable ..... 1 2 3 4 5 6 7 ..... Extremely enjoyable

Extremely unattractive ..... 1 2 3 4 5 6 7 ..... Extremely attractive

---

This section is about you. Your responses will be kept completely confidential.

---

9. In selecting from many types and brands of hotels available in the market, to what extent would you care as to which hotel you stay?

Not care at all ..... 1 2 3 4 5 6 7 ..... Care a great deal

10. How important would it be to you to make a right choice of hotel?

Not at all important ..... 1 2 3 4 5 6 7 ..... Very important

11. In making your selection of hotels, how concerned would you be about the outcome of your choice?

Not at all concerned ..... 1 2 3 4 5 6 7 ..... Very much concerned

12. What is your favorite hotel when you are (1) at work? \_\_\_\_\_

(2) on vacation? \_\_\_\_\_

13. Gender: \_\_\_\_\_ Male \_\_\_\_\_ Female

14. On average, how many day(s) do you stay in a hotel per year? \_\_\_\_\_ day(s) per year

15. Annual household income? \_\_\_\_\_ Less than \$40,000 \_\_\_\_\_ \$70,000 – \$99,999  
 \_\_\_\_\_ \$40,000 - \$69,999 \_\_\_\_\_ \$100,000 or more

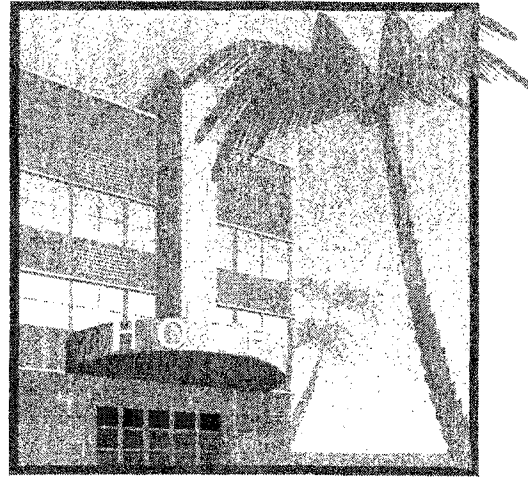
16. What is your age range? \_\_\_\_\_ 18-25 \_\_\_\_\_ 36-55  
 \_\_\_\_\_ 26-35 \_\_\_\_\_ 56 and above

---

**THANK YOU VERY MUCH FOR YOUR COOPERATION!**  
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**INSTRUCTION:**

Please read the following questions and circle the appropriate number in the scale for each question that best indicates **your perceptions** of the brand '**Embassy Suites**'. Whether or not you have ever stayed in the Embassy Suites, we are very interested in your perceptions.



Please answer the following questions regarding your expectations of  
**product quality** and **service quality** of the Embassy Suites.

5. Compared to that of other hotel brands, the **product quality** (e.g., interior and exterior physical features) of the Embassy Suites is expected to be:

Poor	.....	1	2	3	4	5	6	7	.....	Excellent
Inferior	.....	1	2	3	4	5	6	7	.....	Superior
Of very low quality	.....	1	2	3	4	5	6	7	.....	Of very high quality

6. Compared to that of other hotel brands, the Embassy Suites' **service quality** (e.g., personal service, check in/out, room service) is expected to be:

Poor	.....	1	2	3	4	5	6	7	.....	Excellent
Inferior	.....	1	2	3	4	5	6	7	.....	Superior
Of very low quality	.....	1	2	3	4	5	6	7	.....	Of very high quality

Please respond to each statement with reference to the **Embassy Suites**.

	Strongly Disagree							Strongly Agree						
19. I am highly aware of the Embassy Suites as a hotel brand.	1	2	3	4	5	6	7							
20. The Embassy Suites is highly recognized.	1	2	3	4	5	6	7							
21. I have heard a lot about the Embassy Suites.	1	2	3	4	5	6	7							
22. The Embassy Suites has a good reputation.	1	2	3	4	5	6	7							
23. In general, I expect that the Embassy Suites fulfills promises made to its customers.	1	2	3	4	5	6	7							
24. My overall image of the Embassy Suites is positive.	1	2	3	4	5	6	7							
25. I think the Embassy Suites has a positive image among my colleagues and friends.	1	2	3	4	5	6	7							

26. Overall, the **image** of the Embassy Suites is:

Very bad	..... 1	2	3	4	5	6	7	.....	Very good
Extremely <u>un</u> favorable	..... 1	2	3	4	5	6	7	.....	Extremely favorable

27. As a hotel brand, the Embassy Suites is:

Extremely <u>dis</u> pleasing	..... 1	2	3	4	5	6	7	.....	Extremely pleasing
Extremely <u>not</u> likeable	..... 1	2	3	4	5	6	7	.....	Extremely likeable
Extremely <u>un</u> enjoyable	..... 1	2	3	4	5	6	7	.....	Extremely enjoyable
Extremely <u>un</u> attractive	..... 1	2	3	4	5	6	7	.....	Extremely attractive

---

Please respond to each statement related to  
the **Embassy Suites** and **Hilton Hotel Corporation**.

---

37. How knowledgeable are you about the relationship between the Embassy Suites and Hilton Hotel Corporation?

Not at all knowledgeable ..... 1 2 3 4 5 6 7 ..... Very knowledgeable

38. How familiar are you that the Embassy Suites is one of the hotel brands that Hilton Hotel Corporation owns?

Not at all familiar ..... 1 2 3 4 5 6 7 ..... Very familiar

39. How knowledgeable are you about Hilton Hotel Corporation and its hotel brands?

Not at all knowledgeable ..... 1 2 3 4 5 6 7 ..... Very knowledgeable

40. Overall, how familiar are you with Hilton Hotel Corporation and its hotel brands?

Not at all familiar ..... 1 2 3 4 5 6 7 ..... Very familiar

41. As a hotel company, Hilton Hotel Corporation is:

Extremely <u>dis</u> pleasing	..... 1	2	3	4	5	6	7	.....	Extremely pleasing
Extremely <u>not</u> likeable	..... 1	2	3	4	5	6	7	.....	Extremely likeable
Extremely <u>un</u> enjoyable	..... 1	2	3	4	5	6	7	.....	Extremely enjoyable
Extremely <u>un</u> attractive	..... 1	2	3	4	5	6	7	.....	Extremely attractive

42. **Hilton Hotel Corporation** owns the Embassy Suites as well as the following hotel brands.

At which of the following hotel(s) have you stayed before? (please check all that apply)

<input type="checkbox"/> Hampton Inn	<input type="checkbox"/> Hilton Garden Inn
<input type="checkbox"/> Hilton Hotel	<input type="checkbox"/> Homewood Suites by Hilton
<input type="checkbox"/> Doubletree Guest Suites & Hotels	<input type="checkbox"/> Red Lion Hotels & Inn
<input type="checkbox"/> Embassy Suite	<input type="checkbox"/> Conrad International Hotel

43. How similar do you think the Embassy Suites is to Hilton Hotel Corporation?

Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

44. In your opinion, how consistent do you think the Embassy Suites is to Hilton Hotel Corporation?

Very inconsistent ..... 1 2 3 4 5 6 7 ..... Very consistent

45. How typical do you perceive the image of the Embassy Suites is to that of Hilton Hotel Corporation?

Very atypical ..... 1 2 3 4 5 6 7 ..... Very typical

46. How well does the Embassy Suites represent Hilton Hotel Corporation?

Very unrepresentative ..... 1 2 3 4 5 6 7 ..... Very representative

47. Overall, how similar do you believe the Embassy Suites is to Hilton Hotel Corporation in terms of the product quality, service quality, and brand image?

**Product Quality:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

**Service Quality:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

**Brand Image:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

48. How would you classify the Embassy Suites?

Very low class ..... 1 2 3 4 5 6 7 ..... Very high class

49. Overall, Hilton Hotel Corporation is:

Very low class ..... 1 2 3 4 5 6 7 ..... Very high class

50. How many times have you ever stayed at the 'Embassy Suites'?

\_\_\_\_\_ 0 \_\_\_\_\_ 1-3 \_\_\_\_\_ 4-7 \_\_\_\_\_ > 8

51. Do you ask for recommendations from your colleagues and friends about where to stay when you are visiting a new town/city?

\_\_\_\_\_ Yes \_\_\_\_\_ No

52. If you received any negative comments or views about the Embassy Suites from your colleagues and friends, to what extent would you believe those?

Not at all ..... 1 2 3 4 5 6 7 ..... To a great extent

53. How would such negative comments or views influence your decision to stay at the Embassy Suites?

No influence ..... 1 2 3 4 5 6 7 ..... Influence a lot

54. Considering the fact that Hilton Hotel Corporation owns the Embassy Suites as well as the other hotel brands as shown above, how would you evaluate the Embassy Suites as a hotel brand?

Extremely displeasing ..... 1 2 3 4 5 6 7 ..... Extremely pleasing

Extremely not likeable ..... 1 2 3 4 5 6 7 ..... Extremely likeable

Extremely unenjoyable ..... 1 2 3 4 5 6 7 ..... Extremely enjoyable

Extremely unattractive ..... 1 2 3 4 5 6 7 ..... Extremely attractive



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This section is about you. Your responses will be kept completely confidential.

---

17. In selecting from many types and brands of hotels available in the market, to what extent would you care as to which hotel you stay?

Not care at all ..... 1 2 3 4 5 6 7 ..... Care a great deal

18. How important would it be to you to make a right choice of hotel?

Not at all important ..... 1 2 3 4 5 6 7 ..... Very important

19. In making your selection of hotels, how concerned would you be about the outcome of your choice?

Not at all concerned ..... 1 2 3 4 5 6 7 ..... Very much concerned

20. What is your favorite hotel when you are (1) at work? \_\_\_\_\_

(2) on vacation? \_\_\_\_\_

21. Gender: \_\_\_\_\_ Male \_\_\_\_\_ Female

22. On average, how many day(s) do you stay in a hotel per year? \_\_\_\_\_ day(s) per year

23. Annual household income? \_\_\_\_\_ Less than \$40,000 \_\_\_\_\_ \$70,000 – \$99,999  
 \_\_\_\_\_ \$40,000 - \$69,999 \_\_\_\_\_ \$100,000 or more

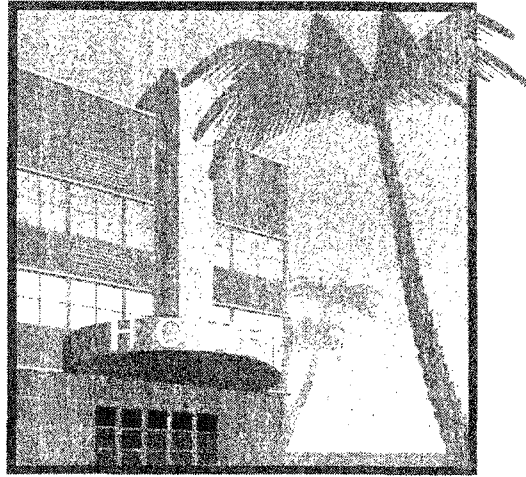
24. What is your age range? \_\_\_\_\_ 18-25 \_\_\_\_\_ 36-55  
 \_\_\_\_\_ 26-35 \_\_\_\_\_ 56 and above

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**THANK YOU VERY MUCH FOR YOUR COOPERATION!**  
**PLEASE RETURN THE QUESTIONNAIRE TO US AS SOON AS POSSIBLE.**

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## Consumer Evaluation of Hotel Brands



Dear Study Participant:

We are conducting this research to understand how consumers evaluate hotel brands in general. **Your response is very important** and will help lodging companies develop suitable brands that can better serve consumers like you. It will take approximately 8 to 10 minutes to complete. Your participation is voluntary and all responses will remain confidential. Please return your completed questionnaire through **campus mail (1055 LeBaron)** by placing the enclosed return address label on the envelope. Thank you very much for your help. If you have any questions regarding this survey, please feel free to contact David Joon-Wuk Kwun.

Sincerely,

DAVID JOON-WUK KWUN

Ph.D. Candidate  
PH: 515-294-4636  
EM: jwkwun@iastate.edu

HAEMOON OH, PH.D.

Major Advisor  
PH: 515-294-7409  
EM: hmoh@iastate.edu

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY  
Foodservice and Lodging Management Program / 1055 LeBaron Hall

**INSTRUCTION:**

Please read the following questions and circle the appropriate number in the scale for each question that best indicates **your perceptions** of the brand '**Fairfield Inn**'. Whether or not you have ever stayed in the Fairfield Inn, we are very interested in your perceptions.



Please answer the following questions regarding your expectations of  
**product quality** and **service quality** of the Fairfield Inn.

7. Compared to that of other hotel brands, the **product quality** (e.g., interior and exterior physical features) of the Fairfield Inn is expected to be:

Poor	..... 1   2   3   4   5   6   7 .....	Excellent
Inferior	..... 1   2   3   4   5   6   7 .....	Superior
Of very low quality	..... 1   2   3   4   5   6   7 .....	Of very high quality

8. Compared to that of other hotel brands, the Fairfield Inn's **service quality** (e.g., personal service, check in/out, room service) is expected to be:

Poor	..... 1   2   3   4   5   6   7 .....	Excellent
Inferior	..... 1   2   3   4   5   6   7 .....	Superior
Of very low quality	..... 1   2   3   4   5   6   7 .....	Of very high quality

Please respond to each statement with reference to the **Fairfield Inn**.

	Strongly Disagree							Strongly Agree						
28. I am highly aware of the Fairfield Inn as a hotel brand.	1	2	3	4	5	6	7							
29. The Fairfield Inn is highly recognized.	1	2	3	4	5	6	7							
30. I have heard a lot about the Fairfield Inn.	1	2	3	4	5	6	7							
31. The Fairfield Inn has a good reputation.	1	2	3	4	5	6	7							
32. In general, I expect that the Fairfield Inn fulfills promises made to its customers.	1	2	3	4	5	6	7							
33. My overall image of the Fairfield Inn is positive.	1	2	3	4	5	6	7							
34. I think the Fairfield Inn has a positive image among my colleagues and friends.	1	2	3	4	5	6	7							

35. Overall, the **image** of the Fairfield Inn is:

Very bad	..... 1	2	3	4	5	6	7 .....	Very good
Extremely <u>un</u> favorable	..... 1	2	3	4	5	6	7 .....	Extremely favorable

36. As a hotel brand, the Fairfield Inn is:

Extremely <u>dis</u> pleasing	..... 1	2	3	4	5	6	7 .....	Extremely pleasing
Extremely <u>not</u> likeable	..... 1	2	3	4	5	6	7 .....	Extremely likeable
Extremely <u>un</u> enjoyable	..... 1	2	3	4	5	6	7 .....	Extremely enjoyable
Extremely <u>un</u> attractive	..... 1	2	3	4	5	6	7 .....	Extremely attractive

---

Please respond to each statement related to  
the **Fairfield Inn** and **Marriott International**.

---

55. How knowledgeable are you about the relationship between the Fairfield Inn and Marriott International?

Not at all knowledgeable ..... 1 2 3 4 5 6 7 ..... Very knowledgeable

56. How familiar are you that the Fairfield Inn is one of the hotel brands that Marriott International owns?

Not at all familiar ..... 1 2 3 4 5 6 7 ..... Very familiar

57. How knowledgeable are you about Marriott International and its hotel brands?

Not at all knowledgeable ..... 1 2 3 4 5 6 7 ..... Very knowledgeable

58. Overall, how familiar are you with Marriott International and its hotel brands?

Not at all familiar ..... 1 2 3 4 5 6 7 ..... Very familiar

59. As a hotel company, Marriott International is:

Extremely <u>dis</u> pleasing	..... 1	2	3	4	5	6	7 .....	Extremely pleasing
Extremely <u>not</u> likeable	..... 1	2	3	4	5	6	7 .....	Extremely likeable
Extremely <u>un</u> enjoyable	..... 1	2	3	4	5	6	7 .....	Extremely enjoyable
Extremely <u>un</u> attractive	..... 1	2	3	4	5	6	7 .....	Extremely attractive

60. **Marriott International** owns the Fairfield Inn as well as the following hotel brands.

At which of the following hotel(s) have you stayed before? (please check all that apply)

\_\_\_\_\_ Ritz Carlton

\_\_\_\_\_ Fairfield Inn

\_\_\_\_\_ Marriott Hotels, Resorts, & Suites

\_\_\_\_\_ Residence Inn

\_\_\_\_\_ Renaissance Hotels and Resorts

\_\_\_\_\_ Ramada International

\_\_\_\_\_ Courtyard

\_\_\_\_\_ Spring Hill Suites

61. How similar do you think the Fairfield Inn is to Marriott International?

Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

62. In your opinion, how consistent do you think the Fairfield Inn is to Marriott International?

Very inconsistent ..... 1 2 3 4 5 6 7 ..... Very consistent

63. How typical do you perceive the image of the Fairfield Inn is to that of Marriott International?

Very atypical ..... 1 2 3 4 5 6 7 ..... Very typical

64. How well does the Fairfield Inn represent Marriott International?

Very unrepresentative ..... 1 2 3 4 5 6 7 ..... Very representative

65. Overall, how similar do you believe the Fairfield Inn is to Marriott International in terms of the **product quality**, **service quality**, and **brand image**?

**Product Quality:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

**Service Quality:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

**Brand Image:** Very dissimilar ..... 1 2 3 4 5 6 7 ..... Very similar

66. How would you classify the Fairfield Inn?

Very low class ..... 1 2 3 4 5 6 7 ..... Very high class

67. Overall, Marriott International is:

Very low class ..... 1 2 3 4 5 6 7 ..... Very high class

68. How many times have you ever stayed at the 'Fairfield Inn'?

\_\_\_\_\_ 0 \_\_\_\_\_ 1-3 \_\_\_\_\_ 4-7 \_\_\_\_\_ > 8

69. Do you ask for recommendations from your colleagues and friends about where to stay when you are visiting a new town/city?

\_\_\_\_\_ Yes \_\_\_\_\_ No

70. If you received any **negative** comments or views about the Fairfield Inn from your colleagues and friends, to what extent would you believe those?

Not at all ..... 1 2 3 4 5 6 7 ..... To a great extent

71. How would such negative comments or views influence your decision to stay at the Fairfield Inn?

No influence ..... 1 2 3 4 5 6 7 ..... Influence a lot

72. Considering the fact that **Marriott International** owns the Fairfield Inn as well as the other hotel brands as shown above, how would you evaluate the Fairfield Inn as a hotel brand?

Extremely displeasing ..... 1 2 3 4 5 6 7 ..... Extremely pleasing

Extremely not likeable ..... 1 2 3 4 5 6 7 ..... Extremely likeable

Extremely unenjoyable ..... 1 2 3 4 5 6 7 ..... Extremely enjoyable

Extremely unattractive ..... 1 2 3 4 5 6 7 ..... Extremely attractive

---

This section is about you. Your responses will be kept completely confidential.

---

25. In selecting from many types and brands of hotels available in the market, to what extent would you care as to which hotel you stay?

Not care at all ..... 1 2 3 4 5 6 7 ..... Care a great deal

26. How important would it be to you to make a right choice of hotel?

Not at all important ..... 1 2 3 4 5 6 7 ..... Very important

27. In making your selection of hotels, how concerned would you be about the outcome of your choice?

Not at all concerned ..... 1 2 3 4 5 6 7 ..... Very much concerned

28. What is your favorite hotel when you are (1) at work? \_\_\_\_\_

(2) on vacation? \_\_\_\_\_

29. Gender: \_\_\_\_\_ Male \_\_\_\_\_ Female

30. On average, how many day(s) do you stay in a hotel per year? \_\_\_\_\_ day(s) per year

31. Annual household income? \_\_\_\_\_ Less than \$40,000 \_\_\_\_\_ \$70,000 – \$99,999

\_\_\_\_\_ \$40,000 - \$69,999 \_\_\_\_\_ \$100,000 or more

32. What is your age range? \_\_\_\_\_ 18-25

\_\_\_\_\_ 36-55

\_\_\_\_\_ 26-35

\_\_\_\_\_ 56 and above

---

**THANK YOU VERY MUCH FOR YOUR COOPERATION!**  
**PLEASE RETURN THE QUESTIONNAIRE TO US AS SOON AS POSSIBLE.**

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**APPENDIX B:**  
**ISU HUMAN SUBJECTS**

IOWA STATE UNIVERSITY  
OF SCIENCE AND TECHNOLOGY

Continuation and/or Modification  
Office of Research Compliance  
Vice President for Research and  
Advanced Studies  
OSU Board/Dean Hall  
Ames, Iowa 50011-2030  
515-294-3500  
FAX 515-294-1280

TO: Joon-Wuk Kwon

FROM: Ginny Austin, IRB Coordinator

RE: IRB ID # 03-609

DATE REVIEWED: July 16, 2003

The project, "Consumer's Evaluation of Brand Portfolios" has been declared exempt from Federal regulations as described in 45 CFR 46.101(b)(2).

(2) Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: (i) information obtained is recorded in such a manner that human subjects can be identified, directly or through identifiers linked to the subjects; and (ii) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation.

To be in compliance with ISU's Federal Wide Assurance through the Office of Human Research Protections (OHRP) all projects involving human subjects, must be reviewed by the Institutional Review Board (IRB). Only the IRB may determine if the project must follow the requirements of 45 CFR 46 or is exempt from the requirements specified in this law. **Therefore, all human subject projects must be submitted and reviewed by the IRB.**

Because this project is exempt it does not require further IRB review and is exempt from the Department of Health and Human Service (DHHS) regulations for the protection of human subjects.

We do, however, urge you to protect the rights of your participants in the same ways that you would if IRB approval were required. This includes providing relevant information about the research to the participants. Although this project is exempt, you must carry out the research as proposed in the IRB application, including obtaining and documenting (signed) informed consent, if applicable to your project.

Any modification of this research should be submitted to the IRB on a Continuation and/or Modification form to determine if the project still meets the Federal criteria for exemption. If it is determined that exemption is no longer warranted, then an IRB proposal will need to be submitted and approved before proceeding with data collection.

cc: Foodservice and Lodging Management



**APPENDIX C:**  
**CORRELATION MATRIX**

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
<b>Product</b>	1.00																							
<b>Quality 1</b>	.																							
<b>Product</b>	.95	1.00																						
<b>Quality 2</b>	(.00)	.																						
<b>Product</b>	.93	.94	1.00																					
<b>Quality 3</b>	(.00)	(.00)	.																					
<b>Service</b>	.78	.77	.75	1.00																				
<b>Quality 1</b>	(.00)	(.00)	(.00)	.																				
<b>Service</b>	.76	.76	.78	.96	1.00																			
<b>Quality 2</b>	(.00)	(.00)	(.00)	(.00)	.																			
<b>Service</b>	.75	.73	.78	.94	.97	1.00																		
<b>Quality 3</b>	(.00)	(.00)	(.00)	(.00)	(.00)	.																		
<b>Awareness 1</b>	.28	.22	.21	.22	.18	.22	1.00																	
	(.00)	(.00)	(.00)	(.00)	(.01)	(.00)	.																	
<b>Awareness 2</b>	.44	.39	.41	.36	.33	.39	.76	1.00																
	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	.																
<b>Awareness 3</b>	.37	.35	.40	.30	.28	.33	.68	.78	1.00															
	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	.															
<b>Brand</b>	.69	.66	.69	.57	.53	.55	.45	.63	.57	1.00														
<b>Image1</b>	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	.														
<b>Brand</b>	.71	.67	.70	.58	.57	.58	.46	.61	.54	.94	1.00													
<b>Image2</b>	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	.													
<b>Brand</b>	.72	.72	.75	.58	.60	.61	.40	.58	.56	.81	.83	1.00												
<b>Attitude (EB) 1</b>	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	.												
<b>Brand</b>	.70	.70	.69	.62	.62	.62	.40	.59	.53	.81	.81	.92	1.00											
<b>Attitude (EB) 2</b>	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	.											
<b>Brand</b>	.63	.63	.69	.54	.58	.59	.37	.60	.55	.75	.75	.87	.86	1.00										
<b>Attitude (EB) 3</b>	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	.										
<b>Brand</b>	.65	.67	.72	.51	.54	.57	.36	.52	.55	.79	.79	.87	.84	.83	1.00									
<b>Attitude (EB) 4</b>	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	.									
<b>Familiarity 1</b>	.03	.00	.05	.06	.14	.11	.38	.20	.25	.12	.14	.14	.10	.14	.15	1.00								
	(.63)	(.98)	(.51)	(.41)	(.06)	(.12)	(.00)	(.00)	(.00)	(.08)	(.05)	(.05)	(.14)	(.05)	(.04)	.								
<b>Familiarity 2</b>	.08	.05	.12	.12	.19	.18	.37	.27	.30	.21	.21	.20	.19	.20	.21	.91	1.00							
	(.28)	(.47)	(.10)	(.09)	(.01)	(.01)	(.00)	(.00)	(.00)	(.00)	(.00)	(.00)	(.01)	(.00)	(.00)	(.00)	.							



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